

The Bankers magazine.

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BANKERS' MAGAZINE,

AND

State Financial Register,

DEVOTED TO THE DISSEMINATION OF BANK STATISTICS, STATE STATISTICS, SOUND PRINCIPLES OF BANKING AND CURRENCY, ENGLISH AND AMERICAN LAW DECISIONS IN REFERENCE TO THE BUSINESS OF BANKS AND BANKERS, PRINCIPLES AND POLICY OF LIFE INSURANCE, SAVINGS BANKS, ETC.

"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

"The Revenue of the State is THE STATE: in effect, all depends upon it, whether for support or reformation."

VOLUME FIRST.

FROM JULY, 1846, TO JUNE, 1847, INCLUSIVE.

BALTIMORE:

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THE BANKERS' MAGAZINE

AND

State Financial Register.

VOL. I.]

JULY, 1846.

[NO. I.

THE CONSTITUTIONAL TREASURY SYSTEM.

[Communicated for the Bankers' Magazine.]

You bank men appear to have very inaccurate views of the ground taken by those who are desirous to effect a separation of bank and state. I will, therefore, with your consent, present to your readers a few short articles on the subject.

Our first objection to this union is that it is unconstitutional. Whether banks of issue, incorporated by the states, are constitutional or not, is a question which need not here be discussed. We maintain that even if they are, the design of the framers of the constitution is utterly frustrated by using banks as fiscal agents.

The framers of the constitution evidently had in view a substantive treasury, substantial treasure, and a real treasurer; else why did they say, "no money shall be drawn from the treasury but in consequence of appropriations made by law."

The members of the first Congress as evidently intended to follow up the design of the framers of the constitution, for they, by the act to establish a Treasury department, passed in 1789, declared that "it shall be the duty of the Treasurer to receive and keep the moneys of the United States;" and by their first act for raising a revenue, they declared that dues to the government shall be paid in "gold and silver coin only."

It is much to be regretted that these wise provisions were ever departed from. As matters stand at present, we have neither treasure, treasury, nor treasurer, in the sense intended by the constitution. A mass of debts due to government by banks and individuals, and which may or may not be paid, cannot, with any propriety, be called a treasure. Neither can a four-story building with empty vaults be called a treasury, without a gross violation of the proprieties of language. Nor can the worthy gentleman who

occupies one room in that building, and has no money to keep, be regarded as a treasurer. He is a mere clerk.

Will you maintain that the treasury of the United States is wherever there is money to *the credit* of the treasurer, consequently that the deposit banks are *de facto* the treasury of the United States, and that all the money in these banks to the credit of the treasurer, is money in the treasury? Then, I ask you, what becomes of that clause of the constitution which declares that "no money shall be drawn from the treasury but in consequence of appropriations made by law?" Has Congress, in any of its appropriation bills, introduced a clause authorising these agents of the treasurer, i. e. the officers of the deposit banks, to loan from ten to twenty millions of the public money to dealers in fancy stocks and other speculations?

So far is this from being true, that even these deposits in banks by the treasurer have no direct sanction by law. They have little but custom to plead in their favor. And the lending of the money thus deposited is in direct contravention of the spirit of an act passed at the special session of 1841, by which it is made a high crime and a misdemeanor in any public officer to loan the public money or apply it to private uses.

You bank men ought not to object to this law, for it was passed by your own people, with Henry Clay at their head, immediately after the repeal of the sub-treasury act of July 4, 1840.

The Chamber of Commerce of New York have, in their late memorial to Congress, declared that they are opposed to the application of public funds to private uses. The Chamber of Commerce of New York have thus, (whether they intended it or not,) taken a very decided stand against both the National Bank and the Pet Bank systems, and in favor of the Independent Treasury.

But suppose the provisions of the act of 1841 to apply only to collecting and disbursing officers, and not to officers of banks acting as agents of the treasurer. It is evident that under existing usages this act must prove a mere nullity. A collecting or a disbursing officer deposits public money in bank, and immediately afterwards the bank lends him that very money to apply to his private uses. Thus the wise and just intentions Mr. Clay and his friends had in passing this act, are entirely frustrated.

There is another provision of the constitution, which the connection of bank and state renders it impossible, under certain circumstances, to carry into effect, or not, at least, without greatly increasing the burden imposed on individuals. The provision to which I allude is that which declares that "no state shall make any thing but gold and silver a legal tender in the payment of debts." In ordinary times, bank notes are the practical tender, and so long as the banks pay specie no sensible inconvenience is felt therefrom. But banks are liable to suspensions of specie payments: and then if contracts are brought before the courts for adjudication, the judges are, by

the constitution, bound to enforce the discharge of such debts in gold and silver, although it may take twice as much labor, or twice as many commodities, to purchase the requisite quantity of gold and silver that it would have taken when the debts were contracted.

The United States government, by its sanctioning the use of bank paper, aids in driving gold and silver out of circulation, and thus aids in producing this crying injustice. If it, by its abundant deposits with the banks, lends to an inflation of the currency, which is necessarily followed by a revulsion, (as was the case in 1837,) it is instrumental in causing the ruin of thousands and tens of thousands.

You may see from this, Messrs. Editors, that the ground which we have taken is one which we cannot easily be persuaded to abandon. Some of us have taken oaths to support the constitution, and others among us do not think that oaths are necessary to impose on us this obligation. We have got the faith of the democratic party pledged to separate bank and state, and we mean to hold it to its plighted faith. We may sustain temporary defeats from you, but these will not cause us to abandon our purpose.

In other communications, I shall endeavor to show that the separation of bank and state will be equally beneficial to the government and the people, and to *well constituted* and *well conducted* banks.

A CONSTITUTIONALIST.

WASHINGTON, *May 16th*, 1846.

P. S. You must not think from this that the bill lately passed by the House of Representatives, receives my unqualified approbation. I think it is, in many of its details, very objectionable.

Remarks.—The objection to the use of banks by the general government, on the ground of unconstitutionality, we consider fallacious : Banks have been created by the general government, and have been sustained by the opinions of Messrs. Madison, Hamilton, Crawford, Webster and Calhoun, than whom we need not require any higher authority. The use of state banks as depositories of the funds of the general government, was urged and supported by Presidents Jackson and Van Buren, and although these are not to us equally high authorities with those of Madison and Hamilton, yet the principle was adopted by Congress, and became the law of the land.

“A substantial treasury, substantial treasure, and a real treasurer.” These terms are arbitrary, and may be used in various ways. The most substantial treasury that we can conceive of is a place of deposit for public funds, where they will be safe and available at all times ; and those funds substantial, which are convertible at will into gold or silver.

“The government, by sanctioning the use of bank paper, aids in driving gold and silver out of circulation.”

In a legal sense, the government does not recognise bank paper as a cur-

rency or medium of payment. The custom-house receipts and the public deposits are in *dollars*, and the public depositories acknowledge the receipts to be in *legal money*. For the convenience of the government and the people, a substitute is used, and that substitute will provide to the holder gold or silver if he wants it, but he takes care to provide himself with paper currency in preference.

Bank paper, or a paper medium, must *necessarily* be used in the ordinary business transactions between the people and the government—*specie is utterly out of the question for such transactions*. Every man, in his daily business, whether it be one hundred or one thousand dollars, prefers to receive and pay paper money rather than coin: how much more important and desirable is it then, in the ordinary receipts and disbursements of the general government, amounting, on an average, to *a million of dollars per week throughout the year*. The same rule of expediency, economy of time and labor, which influences individuals in the regulation and details of their business, should and will influence the government in its own business. The general government is only a mass of individuals, or the whole people acting in a concentrated form, and liable, unfortunately for us, as experience has shown, to the same variableness of purpose, uncertain principles of action and weakness of design which we see in small communities and in individuals.

The general government, in its money dealings, should and *will* adopt that plan which will facilitate the business transactions between itself and the people—one that will involve the greatest convenience, economy and safety to both parties.

If we turn our eyes to England and France, and other European countries, where the governments look mainly to their own interests, without consulting the convenience or views of their people, we will find that even there the idea of a specie currency is never thought of.

The immense government revenues and expenditures of Great Britain, amounting together to a million and a half dollars per day, are mostly paid *in paper*. The entire paper issues of the Bank of England are based upon coin and public securities, amounting to upwards of twenty millions sterling, and those issues are made simply for the *convenience* of the people.

There is one thing which the general government has overlooked entirely, and if it be taken in hand, the presumed or really existing evils of our present paper currency may be obviated. The constitution confers upon Congress the duty of *coining money and regulating the value thereof*, while the states are forbidden to issue bills of credit. The framers of the constitution probably intended that these clauses should embrace the sole issues of *all money*, and the entire control of the currency.

If Congress would assume these powers, and restrain the state authorities from the exercise of such privileges, a *really constitutional* currency could be provided, by the issue of the requisite amount of government paper, receivable for all public dues, and based upon the precious metals.

We are not inclined to occupy any further our time or that of our readers in the discussion of the sub-treasury question. That scheme we consider utterly impracticable and indefensible; but, at the same time, our pages are open for the reception of any communications from the friends of the measure. It is possible that Congress may pass such a law as contemplated by "A Constitutionalist;" but it cannot be in force for six consecutive months, nor will it be, in our opinion, strictly complied with for forty-eight hours.

ANNUAL TREASURY REPORT OF COMMERCE AND NAVIGATION OF THE UNITED STATES.

THIS important document has been this year transmitted to Congress at a much earlier date than for several years past. The early production of this document is an evidence of the *industry* of the officers attached to the bureau from which it emanates. We have exceptions to make, however, (which for the present we defer,) to the contents of the document, and the manner in which they have been arranged, with reference to the facility with which the information which it does contain may be obtained from it. Our present object is to lay before our readers the following tables, which have been prepared by us with great care, and, we trust, will be found acceptable, if not useful:

STATISTICAL VIEW OF THE COMMERCE OF THE UNITED STATES,
For the year ending 30th June, 1845; showing the amount of Exports and Imports to and from each Foreign Country—Compiled from the Official Documents.

Countries.	Value of Exports.	Value of Imports.
Russia,	\$ 727,337	\$1,492,262
Prussia,	567,121	31,082
Sweden and dependencies, . .	363,667	640,057
Denmark and dependencies, . .	1,139,596	783,238
Holland and dependencies, . .	3,610,602	1,897,623
Belgium,	1,851,073	709,562
Hanse Towns,	4,945,020	2,912,537
England and dependencies, . .	61,044,535	49,903,725
France and dependencies, . .	16,143,994	22,069,914
Spain and dependencies, . .	7,790,442	10,590,544
Portugal and dependencies, . .	247,180	501,734
Italy, Sicily, and Sardinia, . .	1,419,010	1,850,929
Trieste, &c.	1,801,878	321,550
Turkey, Levant, &c.	165,099	781,517
Hayti,	1,405,740	1,386,367

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Texas,	363,792	755,324
Mexico,	1,152,331	1,702,936
Central Republic of America,	67,649	65,269
New Grenada,	78,977	171,921
Venezuela,	725,130	1,268,275
Brazil,	2,837,950	6,084,599
Cisplatine Republic,	157,136	20,573
Argentine Republic,	503,006	1,750,698
Chili,	1,548,191	1,123,690
Peru,	33,424	336,112
China,	2,275,995	7,285,914
West Indies generally,	182,976	
South America generally,	85,239	
Europe generally,	21,573	
Asia generally,	312,748	106,110
Africa generally,	605,106	572,126
South Seas and Pacific Ocean,	473,089	136,565
Northwest Coast of America,		245
Sandwich Islands,		1,566
	<u>\$ 114,646,606</u>	<u>\$ 117,254,564</u>
Total Exports,	\$ 114,646,606	
Total Imports,	117,254,564	
Balance,	\$2,607,958	

The Exports and Imports stated in the foregoing table were shipped from and received into the various States, &c. as follows :

	Exports.	Value of Imports.
Maine,	\$ 1,255,105	\$ 855,645
New Hampshire,	2,384	22,689
Vermont,	542,607	81,997
Massachusetts,	10,351,030	22,781,024
Rhode Island,	191,032	274,330
Connecticut,	969,055	372,075
New York,	36,175,298	70,909,085
New Jersey,		829
Pennsylvania,	3,574,363	8,159,227
Delaware,	138,195	2,274
Maryland,	5,221,977	3,741,804
District of Columbia,	510,164	70,529
Virginia,	2,104,581	267,658
North Carolina,	379,960	230,470
South Carolina,	8,890,648	1,143,158

Georgia,	4,557,435	206,301
Alabama,	10,538,228	473,491
Louisiana,	27,157,465	7,354,397
Mississippi,		738
Tennessee,		6,929
Missouri,		54,429
Ohio,	321,114	78,196
Kentucky,		17,469
Michigan,	251,220	41,952
Florida,	1,514,745	107,868
	<u>\$ 114,646,606</u>	<u>\$ 117,254,564</u>

Table showing the BALANCE OF TRADE for or against the United States for the year 1845.

Countries.	In favor of United States.	Against the United States.
Russia,		\$ 764,925
Prussia,	\$ 536,039	
Sweden and dependencies, .		276,390
Denmark and dependencies, .	356,358	
Holland and dependencies, . .	1,712,979	
Belgium,	1,141,511	
Hanse Towns,	2,032,483	
England and dependencies, .	11,140,810	
France and dependencies, . .		5,925,920
Spain and dependencies, . .		2,800,102
Portugal and dependencies, .		254,554
Italy, Sardinia, and Sicily, .		431,919
Trieste, &c.	1,480,328	
Turkey, Levant, &c.		616,418
Hayti,	19,373	
Texas,		391,532
Mexico,		550,605
Central America,	2,380	
New Grenada,		92,944
Venezuela,		543,145
Brazil,		3,246,649
Cisplatine Republic,	136,563	
Argentine Republic,		1,247,692
Chili,	424,501	
Peru,		302,688
South America generally, . .	85,239	
West Indies generally, . .	182,976	
China,		5,009,919

Europe generally,	21,573	
Asia generally,	206,638	
Africa generally,	32,980	
South Sea and Pacific,	336,524	
Northwest Coast of America, .		245
Sandwich Islands,		1,566
Uncertain places,		
	<hr/>	<hr/>
	\$ 19,849,255	\$ 22,457,213
	<hr/>	<hr/>

The preceding table shows what, according to custom-house entries, has been the balance of trade, for and against the United States, during the year 1845. This is not, however, our idea of what really constitutes that important item of a nation's commercial statistics. The balance of trade is, according to our conceptions, that amount which a nation has to pay to, or receive from, all other countries with which it has commercial dealings. Or, in other words, the balance of trade is the difference between the total amount *received* for all which it sells, and the total amount *paid* for all which it purchases; it being evident that the *money capital* of any people must be diminished or increased annually by this amount.

We do not complain of the document before us, because it does not show this amount; we know that it is impossible that it should show it. There is no even proximate mode of obtaining it. We have made these observations, because we do not wish to be mistaken as to our idea of what really constitutes the balance of trade. We have used the phrase, it is true, in the preceding table, but we have used it only agreeably to common parlance, and we accompany its use with this explanation.

But, if we exonerate the Treasury Department from any blame for this mode of stating the question, there is, and has long been, we think, a most important error in its annual statements of the amount of exports and imports; and that is, the practice of regarding specie as an export and an import; thus making it an article of commerce, when, in fact, it is used merely as a means of making commercial purchases, or to pay commercial obligations already incurred. It may be said that specie has its price; that the premium upon it is continually fluctuating, and that it is always in the market for sale. This is true; but have not bills of exchange also a price; is not the rate of exchange thereon continually fluctuating, and are not they always in the market? Yet, who ever thought of ranking mercantile bills among exports and imports? But specie, which is precisely in the same category, being merely a medium of payment, has stood for years, and still stands in our annual Treasury reports, along with cotton and tobacco, and sugar and spices, as an export and an import! Let us take the specie from the annual statements of the last three years, and see how the "balance of trade," as derived from custom-house returns will then appear. It will at

least be an approximation, though a small one, towards the truth. The results for the fiscal year, ending June 30, 1843, were, viz.

Exports, domestic and foreign, 1843,	\$ 84,346,480
Imports,	64,753,799
Balance in favor of the United States,	<u>\$ 19,592,681</u>

Now, what was the specie exported and imported ?

Coin of the United States exported,	\$ 107,429
Coin of other countries,	1,412,912
	<u>\$ 1,520,341</u>

This sum of 1,520,341, deducted from the entire amount of exports for the year, makes it \$ 82,826,139

Coin imported \$22,077,301 : deduct this from the total amount of imports, and it makes it 42,676,498

Making the balance of trade, according to the reports, \$ 40,149,641

But the fallacy of such a supposition is evident ; the specie sent here was either to provide for obligations previously contracted, or it was to make investments in our public or private stocks, or it was for future trading and commercial purposes generally. It certainly formed no part of the *bona fide* commercial business of the year, excepting so far as its receipt by us, in part payment for the goods and produce which we had sent abroad during that year, diminished the amount which would have been due to us upon that year's business, had it not been so received. Let us apply the same examination to the year which ended on the 30th of June 1844 :

Exports, domestic and foreign, 1844,	\$111,200,046
Imports,	108,435,035
Balance in favor of the United States,	<u>\$ 2,765,011</u>

The specie exported was—

Coin of the United States,	\$ 183,405
Coin of other countries,	5,270,809
	<u>\$5,454,214</u>

This, deducted from the entire amount of exports for the year, makes it \$105,745,832

Coin imported, 5,538,585; deduct this from the total amount of imports for the year, and it leaves 102,896,450

Making the balance, according to the report, \$2,849,382

Again, for 1845:

Exports, domestic and foreign, 1845,	\$114,646,606
Imports,	117,254,564
	<hr/>
Balance against the United States,	\$ 2,607,958
	<hr/>

The specie exported was—

Coin of the United States,	\$ 844,446
Coin of other countries,	7,762,049
	<hr/>
	\$ 8,606,495

This, deducted from the entire amount of exports for the year, makes it, \$106,040,111

Coin imported \$3,962,864; deduct this from the total amount of imports for the year, and it leaves, 113,291,700

Making the balance against the United States, according to the Treasury report, to be, \$7,251,589

Now, although we are certain that the balances of trade for the years 1843, 1844, and 1845, were *not* \$40,149,641, \$2,849,282, and \$7,251,589, respectively, the two first in favor of the United States, and the last against them; yet we are equally certain that the custom-house entries and the annual statements of the Treasury Department would represent them as such if properly stated, and not as they are shown to be at present by the introducing specie among the exports and imports. We hold this to be another and an important defect in this document. It does not, as it purports to do, give a correct statement of the annual exports and imports of the country. That the error is of long standing is no argument for its continuance.

The preceding remarks are from the National Intelligencer.

We agree with the editors that a different exhibit is required from the Treasury in order to convey to the people a correct idea of the foreign business relations of the country.

The figures at present may be strictly correct, and yet, convey a false impression.

Specie as an item, should be included among the exports and imports in order to show the aggregate of indebtedness for or against us: and we cannot arrive at a fair conclusion, without adding the imports and exports of specie to those of merchandise, and the difference, one way or the other, will show the balance of indebtedness, at least as closely as a public document can of this kind.

But in order to distinguish the amount of *wealth* which leaves the country or comes into it, as distinguished from the amount of *property*, it is neces-

sary to exhibit clearly and separately the imports and exports of both merchandise and specie.

The imports and exports of the United States for any one year might, nominally, and according to the Treasury report, be the same, and yet the result as a precedent be ruinous. For instance, assuming the business of the year to be, viz.

<i>Imports.</i> —Merchandise, &c.	\$ 90,000,000	
Specie,	10,000,000	
	<hr/>	\$ 100,000,000
<i>Exports.</i> —Merchandise, &c.	\$ 80,000,000	
Specie,	20,000,000	
	<hr/>	\$ 100,000,000

This result, being stated in one line, without separating the items, would induce a casual observer to suppose that the imports and exports were about equal: while such a state of things for 10 years would reduce us to bankruptcy.

Specie is, in a *commercial* sense, an article of merchandise, bought and sold at every commercial point, and entering largely into the channels of foreign trade. It is almost as much an article of trade as a barrel of pork: with this difference, that the former has a value approaching a fixed value while the latter has a variable value.

Specie may be considered in Europe and America as an article of merchandise, forming one of the items of an ordinary price current: ever variable in value, commercially and legally, its value ascertained by the same standard as a barrel of flour, viz. *its weight*—worth more at one point than another, but *finally*, it is the basis of wealth, the measure of value of all property, its exportation lessening our real wealth; and its importation (and it can be imported only upon two grounds, 1st, as the adjusting weight in the balance of trade, or 2dly, as capital, for investment) adding to our actual national wealth.

The practical or business results of the trade of the United States for the last three years, may be summed up as follows:

	Goods Imported.	Specie Imported.	Goods Exported.	Specie Exported.
1843,	\$ 42,676,498	\$ 22,077,301	\$ 82,826,139	\$ 1,520,341
1844,	102,896,450	5,538,585	105,745,832	5,454,214
1845,	113,291,700	3,962,864	106,040,111	8,606,495
Total for	<hr/>	<hr/>	<hr/>	<hr/>
3 years,	\$ 258,864,648	\$ 31,578,750	\$ 294,612,082	\$ 15,581,050

These figures show, so far as custom-house valuations are correct criteria, that the exports of produce, goods, &c., for the three years, 1843, 1844 and 1845, were \$294,612,082
And the imports of goods for the same periods, 258,864,648

Actual balance of trade in favor of United States, \$ 35,747,434

Has this resulting balance of debits and credits been adjusted?

The specie clause will say how much:

Imports of specie for three years,	\$ 31,578,750
Exports of specie "	15,581,050

Excess of imports,	\$ 15,997,700
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Deduct this sum from amount before stated,	35,747,434
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Will show existing credits amounting to, \$ 19,749,734
yet in our favor abroad, equivalent to specie; and an actual addition to our precious metals, within the same time, of \$ 15,997,700.

We are, as a nation, better off now than we were three years since, in a business view, to the amount of thirty-five millions of dollars and upwards. This highly favorable condition of things is daily becoming less so, if we judge by the actual imports and exports of the current year. This accumulated balance of nineteen millions due us on June 30, 1845, (without reference to balances existing for or against us on June 30, 1842,) is apparently becoming liquidated, and rapidly too, by the heavy imports of foreign silks, satins, and other high priced goods.

Based upon prudence, economy and (then) late experience, our trade with France in 1843 showed a nominal balance in our favor of,	\$ 4,636,316
While in 1845 the balance against us was,	5,925,920

Difference for one year,	\$ 10,562,236
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In 1843 our trade with the whole world showed an <i>actual</i> balance in our favor, (in goods and produce,) of,	\$ 40,149,641
While in 1845 the <i>actual</i> balance against us was,	7,251,589

Difference between the year 1843 and the year 1845, \$	47,401,230
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~~Is~~ Is it necessary to tell our fair countrywomen that this difference arises mostly in *mere finery*—in decorations for the person, for the toilet, for the parlor, &c., not in books, instruments of science, or aids to the attainment of accomplishments.

The *primary* lessons of political economy could be well engrafted upon the system of education, inculcating the lesson that the consumption of ten millions of dollars of domestic goods does not lessen or depreciate national wealth; but that the consumption of foreign embroidery and other goods, to the amount of ten millions, does, in fact, lessen our national wealth that sum.

LEGAL MISCELLANY.**LIABILITY OF BANKS FOR NEGLECT TO PROTEST DRAFTS FORWARDED FOR COLLECTION—DISCHARGE OF ENDORSERS, ETC.**

IN the Court of Common Pleas, Boston, February 23d, 1846, before Judge Washburn. Joseph Ballister, et al., *vs.* The Farmers and Mechanics' Bank. This was an action on the case, brought against the Farmers and Mechanics' Bank of Philadelphia, for negligence in not protesting in proper time a draft forwarded to them for collection.

It appeared in evidence that a draft on John Rinewalt of Philadelphia, for \$500, payable sixty days after sight, was deposited in the State Bank at Boston, by the plaintiffs, and by the State Bank forwarded to the Farmers and Mechanics' Bank at Philadelphia. It was received by the latter bank on the 23d of August, 1844, and presented to and accepted by Rinewalt on the 24th. Consequently it matured on the 26th of October. On the 25th of October it was handed by the bank to their notary, and by him protested on that day, and notices forwarded. The notary returned the draft to the Farmers and Mechanics' Bank on the 26th, before 9 A. M., and it was enclosed and forwarded to Boston by the mail of that day. The plaintiffs refused to receive the draft, and returned it to the Farmers and Mechanics' Bank, and claimed to have it passed to their credit. The bank refused to do this, and the plaintiffs afterwards, on the 4th of December, sued Rinewalt, the acceptor, and obtained judgment and execution, but could find no property on which to levy the same. Evidence was introduced by the defendants, tending to show that Rinewalt, the acceptor, was a partner of the drawers, and that he (Rinewalt) was now able to pay the draft. There were endorsers on the draft, as to whose pecuniary responsibility no evidence was put in by either party.

It was contended for the plaintiffs—1st. That the bank, having received the draft, were bound to take all the necessary and usual steps to secure its acceptance and payment at maturity, and, in case of non-payment, to protest it on the day of its maturity. 2d. That the bank were guilty of negligence in handing the draft to the notary on the day before it was due, as they thereby misled him—it being the universal custom of this bank, as was proved, to hand their notes to their notary to be protested at the close of banking hours on the day on which they fell due. 3d. That the draft having been returned to the bank on the morning of the 26th, the day it matured, it was the duty of the bank to keep it at its counter for payment till the close of business hours, and then to have it protested—and that it was carelessness in them not to do so.

It was contended for the defendants—1st. That the bank and the notary were distinct agents, and that the bank, by delivering the draft to the notary, relieved themselves of all responsibility, and that the duty of protesting the draft at the proper time, devolved upon the notary. 2d. That the jury

could give no damages, because there was no evidence that Rinewalt, the acceptor, who was still liable on the draft, was good for that amount. 3d. That if Rinewalt was not good, still the plaintiffs could not recover, because they had not proved that the endorsers and drawers, who were discharged by want of protest on the proper day, were able to pay the debt had they not been discharged. It was further contended that there being evidence that the drawers and acceptors were partners, the drawers were not discharged, because they were not entitled to notice.

Washburn, J., instructed the jury that it was admitted that the draft was not protested at the proper time, and that thereby the endorsers were discharged, and also the drawers, unless they were partners of Rinewalt, and drew on partnership account, but without funds in Rinewalt's hands—that this was the result of negligence somewhere—that it could not be charged upon the bank, if they had given the draft to a proper Notary at a proper time—but if they gave it to him at such a time as to mislead him, and the effect was to mislead him, they would be liable—that if the draft came back to them during the business hours of the 26th, and they knew it matured on that day, which they were bound to know, if it was in their possession, then their duty was to send it back to the notary, to be protested on that day—that if they found the bank guilty of negligence, then the plaintiffs were entitled to a verdict—that in making up the amount of damage, they were to assess the actual damage the plaintiffs had sustained—that the question, whether the draft was now of any, and, if so, what value, was open for their consideration.

The jury found a verdict for the plaintiffs, and assessed damages at \$539.

C. T. & T. H. Russell for the plaintiffs. C. G. Loring and Geo. W. Phillips for the defendants. *Merch. Mag.*

LIABILITIES OF ENDORSERS.

Supreme Court, New-York. *Anderson vs. Drake*. Where a note is not payable at any particular place, and the maker has a known and permanent residence, within the State, the holder is bound to make a demand of payment there, in order to charge the endorser.

As where a note was dated at New-York, but the maker before it was payable, removed to Kingston, in Ulster Co., and this was known to the holder, a demand of payment or inquiry for the maker in the city of New-York, was held not to be sufficient to charge the endorser.

But where a note was dated at Albany, and the maker, had removed to Canada, a demand of payment at Albany was held sufficient.

Anderson vs. Drake. This was an action of assumpsit brought against the defendant, as endorser of promissory note, stated to be made on the 29th of Nov. 1814, at New-York, by one Benj. Dickenson, by which he promised to pay to the defendant, or order, six months after date, \$300. The declaration contained two counts; the first count stated, that on the first of June, the plaintiff "showed and presented, and caused to be shown and presented,

to the said Benjamin Dickenson, the said note, &c., and required him, then and there, to pay the same, which he refused," &c. The second count stated, that on the first day of June, &c. "diligent search and inquiry was made after the said Benjamin Dickenson at New-York, &c., in order that the note might be shown and presented to him for payment, and that the said B. Dickenson, could not, on such search and inquiry, be found, nor could any person be found to pay the same," &c.

The defendant pleaded, 1st. Non-assumpsit. 2d. To the second count specially, that the maker of the note on the 7th of December, 1814, removed from the city of New-York, to the town of Kingston, in the county of Ulster, where he has ever since continued to reside; that the plaintiff well knew at the time the note became due, and during all the time from the 7th of December, 1814, until the commencement of his suit, that the maker did so reside in Kingston; yet the plaintiff did not, and would not demand payment of the note of the maker, at the time it was payable, though he was often requested by the defendant so to do, to wit, on the 28th of May, and on the 1st of June, 1815.

To this plea, there was a general demurrer and joinder.

J. Strong, in support of the demurrer, contended, 1st. That as the note was dated in New-York, and the parties resided there at the time it was made, it must be presumed, no particular place being designated for the payment, that it was payable in New-York.

That the removal of the maker from New-York to any other place, did not render it necessary for the holder to follow him for the purpose of demanding payment; and he relied on the case of *Stewart vs. Eden*, for the support of these positions.

Anthon and Slossom, contra. The note declared on, was not payable at any particular place. The averment in the declaration is, that the maker was not found in the "city of New-York, in the third ward of the said city." The plaintiff ought to have averred that the maker was not to be found in the city of New-York, nor elsewhere in the State of New-York. Such are the precedents.

Notice to the endorser, without a previous demand upon the maker, is a nullity. Bayley lays down the rule to be, that if the maker has removed, the holder must endeavor to find out to what place he has removed, and make the presentment there. If the maker removes out of the state, the holder is excused from seeking him farther than his last place of residence.

Here, the holder says, the maker has removed to Kingston, within the State. He knew, therefore, where he was to be found; and it was his duty to have followed him and demanded payment of him personally, or at his actual place of residence. It is part of the contract that the holder is to use due diligence to get the money of the maker, before he calls on the endorser. The distinction is between the case where the maker or drawer has never lived, at the place where the note or bill states him to be, or has ab-

sconded, and the case where he has removed ; and unless he has removed out of the state, the holder must endeavor to find him out and make the presentment. The acceptor or maker is liable every where, and the bill or note may be presented where ever he can be found, where it is not expressly made a part of the contract that it should be paid at any particular place.

Chief J. Thompson delivered the opinion of the court. This case comes before the court on a demurrer to the second plea. The defendant being sued as an endorser of a promissory note, pleads specially, that the maker of the note had, shortly after the making thereof, and before it became payable, removed from the city of New-York to Kingston, in Ulster Co., there permanently to reside, which was well known to the plaintiff, and that no demand had been made upon the maker. The demurrer admits the truth of these allegations. And the question presented is, whether a demand upon the maker at Kingston was necessary in order to charge the endorser.

It does not appear from the declaration, that the note was made payable at any particular place ; nor is there any allegation, from which we are to infer, that the note, upon the face of it appears to have been made in New-York. The case, however, was argued by the defendant's counsel, upon the admission of that fact ; and our opinion is founded upon the supposition, that the note appears, on the face of it, to have been drawn in New-York, that being, at the time, the place of residence of the drawer, though, before the note fell due, he removed to Kingston, in Ulster County, there permanently to reside.

Whether under such a state of facts, a demand on the maker at Kingston was necessary, or whether it was sufficient if made in New-York, when the note was drawn, is the point to be decided. Had the note expressly been made payable in New-York, a demand there would have been sufficient, notwithstanding the removal of the drawer. Livingston, J. in delivering the opinion of the court, in *Stewart vs. Eden*, (2 Caine's, Rep. 127,) says, the note being dated in New-York, the maker and endorser are presumed to have contemplated payment there. This, however, was not the point directly before the court, and it is evident from a subsequent part of the opinion, that he did not intend to be understood that New-York would have been the place to demand payment of the maker, or to give notice to the endorser, in case of a permanent removal from the city. In *Thompson vs. Ketchum*, (4 Johns. Rep. 285,) the note was dated at Montego Bay, yet, it was not deemed payable there, otherwise parol evidence would have been inadmissible to prove that it was payable at New-York. Such evidence would have been repugnant to the written note, if the inference of the law was, that it was payable at Montego Bay. This court was, in some measure, before the Supreme Court of Pennsylvania, in *Fisher vs. Evans*, (5 Binney's Rep. 542.) It was there contended, in argument, that the place where the bill was drawn and dated, must be taken to be the residence of the drawer, and the holder was not bound to look for him elsewhere. But the Chief Justice said he knew of no such principle, and that the proper

place to give notice to the person entitled to receive it, was at his permanent residence.

Bailey, in his *Treatise on Bills*, (58,) states the rule to be, that if the drawer or maker cannot be found at the place where the bill or note is payable, and it appears that he never lived there, or has absconded, the bill or note is to be considered as dishonored, but if he has only removed, the holder must endeavor to find out to what place he has removed, and make the presentment there. This is, in some measure, supported by the case of *Collins vs. Butler*, (Stra. 1087.) This rule, I apprehend, cannot be correct to the extent laid down. The settled law now is, that a demand of payment at the place where the note is made payable, is enough to charge the endorser. This is so decided in the case of *Saunderson vs. Judge*, (2 H. Black, 509,) and in this court in the case of *Stewart vs. Eden*; but, according to Mr. Bailey, the holder must follow the maker to the place of his removal.

The general rule is, that the holder of a note is bound to make use of all reasonable and proper diligence to find the maker and demand payment, where no particular place is appointed for such payment. And in determining what shall be considered reasonable diligence, due regard must be had to the security of endorsers, as well as to the unembarrassed circulation of negotiable paper. The laying down precise rules, however, on this subject, is attended with some difficulty. In a case decided in this court, (but which is not reported,) the drawer of a note had removed to Canada, the note was drawn and dated in Albany, though not made payable at any particular place; and it was held that a demand at Albany was sufficient to charge the endorser. I can find no distinction in the books, as to the places being within the jurisdiction of the court, which varies the rule on this subject; nor do I see any substantial reason for any such distinction. It is necessary, however, that some rule should be settled, and I am inclined to think, that where a note is not made payable at any particular place, and the maker has a known and permanent residence within the state, the holder is bound to make a demand at such residence in order to charge the endorser. Whoever takes such a note, is presumed to have made inquiry for the residence of the maker, in order to know where to demand payment, and to assume upon himself all the inconvenience of making such demand, and the risk of the maker's removing to any other place, before the note falls due. As the demurrer, therefore, in this case admits the permanent residence of the maker to have been in Kingston, when the note fell due, and that known to the plaintiff, he was bound to demand payment of the note at that place; and not having done so, the endorser is discharged. The defendant, must, accordingly, have judgment upon the demurrer.

Judgment for the defendant.

[*Johnson's N. Y. Rep. vol. 14.*

GARNISHEE LIABLE FOR INTEREST.

Supreme Court of Georgia, at Milledgeville, May Term, 1846. The Georgia Insurance and Trust Company, plaintiffs in error, *vs.* James S. Oliver, defendant in error. From Richmond Superior Court. Judgment below affirmed.

Held that a garnishee is liable for interest upon the debt due by him to the attachment debtor upon a liquidated demand, when he takes no steps to pay the fund in his hands, or place it subject to the order of the court—and where such garnishee resists the claim of his creditor, as in this case he is liable to all interest accruing upon such claim.

GUARANTEE OF A SLAVE.

Supreme Court of Georgia, at Milledgeville, May Term, 1846. Broughton, plaintiff in error, *vs.* Badget, defendant in error. Covenant from Greene Superior Court. Judgment below reversed.

Held that a bill of sale of a slave containing a warranty of soundness, cannot be transferred by *endorsement* so as to vest in the transferee the right to sue in his own name on a breach of warranty.

The act of '99 respecting the negotiability of bonds, and other specialties, and promissory notes and other liquidated demands, whether for money or other thing, (Prince, 426,) by endorsement, has no application to bills of sale or other mere conveyances, with or without warranty, but must apply to such instruments only as are intended to secure the payment of a demand either in money or other thing liquidated. Agreed on and settled by the parties to it.

STOCK LIABLE TO BY-LAWS OF A COMPANY.

Supreme Court of Georgia, at Milledgeville, May Term, 1846. Tuttle *vs.* Walton. From Richmond Superior Court. Judgment below affirmed.

Held by the court, that a by-law of the Insurance and Banking Company of Augusta, (an institution incorporated by act of the legislature, with power to make by-laws for the government of the company, provided they are not repugnant to the constitution or laws of this state,) prohibiting a transfer of stock by a stockholder indebted to the institution, was not contrary to the laws of this state, nor against public policy, nor in restraint of trade, so as to defeat a lien created by such stockholder's indebtedness to the company prior to the rendition of a judgment under which the stock was sold and purchased by the plaintiff in error at sheriff's sale with notice of such lien—though such purchaser was the judgment creditor.

That such lien was valid and binding, as between the stockholder and the company; and a purchaser at sheriff's sale, with notice of the lien, only acquired such title as was in the defendant in execution.

Nisbet, Judge, dissenting.

ACTION AGAINST A GUARANTOR OF AN USURIOUS TRANSACTION.

Supreme Court of New York. A case was decided in favor of J. D. Beers, in the Supreme Court of New York. The action was brought against Beers as the guarantor of a note issued by the North American Trust and Banking Company, after the act of May 14th, 1840, the fourth section of which act is in these words:

“§ 4. No banking association or individual banker, as such, shall issue or put in circulation any bill or note of said association or individual banker, unless the same shall be made payable *on demand* and without interest; and any violation of this section, by any officer or member of a banking association or by any individual banker, shall be deemed and adjudged a misdemeanor punishable by fine or imprisonment, or both, in the discretion of the court having cognizance thereof.”

The North American Trust and Banking Company being indebted to Swifts & Co. in the sum of \$3,700, gave to Swifts & Co. a promissory note in the following words:

“NEW YORK, 30th June, 1841.

Dolls. 3,700.

“Sixty days *after date* The North American Trust and Banking Company promise to pay to the order of Messrs. Swifts & Co. thirty-seven hundred dollars for value received, *with interest*, having deposited with them as collateral security seven bonds of this company secured ‘under the YATES TRUST, three for one thousand dollars each, and four for five hundred dollars each: Nos. 717, 718, 719, 720, 353, 354, 355.

(Signed)

THOS. G. TALMAGE.”

At the foot of the above note was a guaranty in the following words:

“For value received I guarantee the payment of the above note at the time mentioned.

(Signed)

J. D. BEERS.”

The Supreme Court, immediately upon the closing of the argument, decided that the note was illegal and void, and no action could be maintained thereon—and the note being illegal, no recovery could be had against Beers, upon his guaranty—and judgment was accordingly rendered for the defendant. We understand that the officers of the North American Trust and Banking Company, after the act of 1840, issued and put into circulation notes or obligations, payable on time to bearer or to the order of the tellers, clerks or cashiers, to an amount exceeding \$ 2,000,000.

FOREIGN BANKING ESTABLISHMENTS.

From the London Banking Magazine.

ST. PETERSBURGH.

Accounts are kept here, and for the most part throughout Russia, in rubles of 100 copecks.

The Banks at St. Petersburg are—

1. *The Imperial Loan Bank*, established in 1786, among the statutes of which are the following:—the capital of the bank shall consist of thirty-three millions of rubles, twenty-two millions for the nobility, and eleven millions for the towns. The bank shall be immediately under the emperor. It shall lend money at 5 per cent. interest, and pay $4\frac{1}{2}$ per cent. interest on deposits. It shall grant assurances on houses, &c., at $1\frac{1}{2}$ per cent. premium, on three-fourths of the value of the property as fixed by sworn appraisers. It shall discount bills, but not at a higher rate than $\frac{1}{2}$ per cent. per mensem.

2. *The Assignment Bank*, which is a Bank of issue. And—

3. *The Commercial Bank*, established in 1818, which is, to a certain extent, a *transfer deposit bank*, as it receives in deposit gold and silver bullion, and keeps a current account of it at an annual charge of $\frac{1}{4}$ per cent. and transfers such bullion in sums not less than 500 rubles from one account to another, also at a charge of $\frac{1}{4}$ per cent.

These banks have agencies in all the most important places of trade throughout Russia.

WARSAW: CAPITAL OF POLAND.

Accounts are kept here in florins, (zlots,) at 30 groschens, at 10 pfennigs, formerly at 18 pfennigs.

The Bank of Warsaw, established in 1830, issues notes of 5, 10, 50, 100, 500, and 1000 florins. The capital consists of mortgages on domains, amounting to forty millions, and of sixteen millions of paper money. It is a loan and discount bank, and its principal object is to keep down the extraordinary high rate of interest which generally prevails throughout Poland.

HAMBURGH.

Accounts are kept here in marks, at 16 schillings, at 12 pfennigs.

The Bank of Hamburg was established in 1619, and consists of—

1.—*A Transfer Deposit Bank*, at which payments of 100 marks are made by transferring from one account to another. It is the common bank of all the merchants, and the medium of payment is bars of silver, valued according to weight at certain fixed prices. A fine of three per cent. is levied on those who transfer more bullion than stands to their credit. Depositors may

inspect their stock of bullion every morning till nine o'clock. The bank is closed every year from 1st to 14th January, and on Sundays and holydays.

2. *A Loan Bank*, at which money is advanced on gold and silver articles to the extent of three-fourths of their value, at 6 per cent. per annum, interest. If the articles pledged contain pearls and precious stones, they are weighed merely as gold, and reckoned accordingly; if the interest be not regularly paid every six months, but remains in arrear eighteen months, they are put up to auction after the expiration of that period.

As the bank is closed from 1st to 14th January, no transfers of bullion can be made until the 15th January.

There is also an association of several of the chief commercial houses, by which advances are made upon imperishable property, and bills discounted.

LEIPSIC: IN THE KINGDOM OF SAXONY.

Accounts are kept here, and throughout the kingdom of Saxony, in dollars, at 24 groschens, at 12 pfennigs.

The Discount Bank of Leipsic, with a capital of 250,000 specie dollars, in 500 shares of 500 dollars each, in addition to discounting bills, and transacting other banking business, issues notes of 100 specie dollars each, which freely circulate in trade, as they are payable on demand. One half of the profits of the bank is divided among the shareholders, and with the other half the expenses are paid, and a reserve fund formed.

GENOA.

The Bank of Genoa was established in 1407, under the name of the *St. George's Bank*; its transactions were, however, suspended in 1746, in consequence of several untoward events arising from war, and entirely ceased on the annexation of Genoa to France: but were renewed in 1814, and are still continued. The shares of the bank, for which the customs, salt, and other duties of the present Duchy of Genoa are assigned, are of variable value, and bear interest at from 2 to 2½ per cent.

The four *Deposit Banks* receive money, without, however, paying interest on it, and return it in the same description of coin in which it was deposited, or in bank notes, which circulate as hard cash. No embargo can be placed on monies deposited in any of the banks.

HAVANNAH.

Accounts are kept here in piasters, at 8 reals, at 34 maravedis; also in piasters (dollars, pesos,) at 100 cents.

A bank was established here in 1833, with a capital of one million of dollars.

STOCKHOLM.

Accounts are kept here and throughout Sweden, in rix dollars, at 48 skillings, at 12 pfennigs.

The paper money has consisted, since 1777, of bank notes of one rix dollar, which have borne a variable value in exchange for silver coin; for instance, in 1829, one rix dollar in silver, was worth 128 skillings in bank notes; or 100 rix dollars in silver, were worth 266 rix dollars in bank notes.

The bank was established in 1657.

Accounts are kept throughout Norway in specie dollars, at five orts; or in marks, at 24 skillings.

The paper money, in which payments are for the most part made, consists of notes of 100, 50, 10, 5, 1, $\frac{1}{2}$, and one-fifth specie dollars, which are issued by the bank at Drontheim, but which lose about 40 per cent. in exchange for coin.

BRUSSELS.

Accounts are kept here, and throughout Belgium, either in florins, at 100 cents, as in Holland; or in francs, at 100 centimes, as in France.

The Bank of Brussels has a capital stock of fifty millions, in 100,000 shares of 500 florins each. It receives deposits, discounts bills, and transacts the monetary business of the government; and has various branches. The shares bear an interest of five per cent. in addition to the dividend.

Since 1827, a bank has existed in Antwerp, at which a credit may be opened on a deposit of bullion, and payments made by a transfer of such bullion from one account to another. In addition to transacting other banking business, the bank issues notes of 500 to 1,000 florins.

BORDEAUX: CAPITAL OF THE DEPARTMENT OF THE GIRONDE.

Accounts are kept here as in the other parts of France.

The Bank of Bordeaux is a private establishment, in 2,000 shares of 1,000 francs each. It discounts bills on Bordeaux and Paris, at $4\frac{1}{2}$ and 5 per cent. and issues notes of 500 to 10,000 francs each.

Accounts are kept here in francs, at 100 centimes, and in retail trade also in francs, at 20 sous, at 5 centimes.

PARIS.

The Bank of France, at Paris, was chartered in 1803, with privileges, at first, for fifteen years, but in 1806, they were extended till 1843. Its capital consists of one hundred and eight millions of francs, in 90,000 shares, of 1,200 francs each, which bear interest at 6 per cent. Only 67,900 shares can be transferred from one individual to another, as the remaining 22,100 shares belong to the bank. The price of a share is generally from 1,600 to 2,000 francs. The bank is privileged to issue notes payable to bearer on demand, to discount bills, to make advances on government paper, bullion, and precious stones, and to transact other usual banking business. In addition to the ordinary dividend, two-thirds of the clear profits are divided half-yearly among the shareholders, the other third being carried to a reserve fund. The court of directors is composed of twenty members. The gov-

ernor must be a proprietor of 100 shares at least, and each of the deputy governors must be a proprietor of 50 shares at least.

The Discount Bank at Paris, is also a joint stock bank, with a capital of thirty millions of francs, in 20,000 shares of 1,000 francs each, and 20,000 shares of 500 francs each. The notes issued by this bank are of 500, 400, 300, 200 and 100 francs each, and are readily received, as they are at all times convertible.

THE BANK OF FRANCE.

The following is the quarterly account, ending the 31st of December last, published by the Bank of France, in pursuance of the law of the 30th of June, 1840:—

DR.

	Francs.
Bank notes outstanding,	269,498,980
Treasury account current,	81,849,739
Pieces of 1f. 50c. and 75c.,	13,300,000
Sundry accounts current,	118 470,005
Receipts payable at sight,	1,751,000
Capital of the bank,	67,900,000
Reserve,	10,000,000
Landed property,	4,000,000
Dividends payable,	5,189,424
Draughts of branch banks outstanding,	873,390
Sundry demands outstanding,	1,424,918
	<hr/>
	574,257,456
	<hr/>

CONTRA.

	Cr. Francs.
Cash on hand,	187,334,862
Commercial bills discounted,	192,323,985
Ditto, discounted by branch banks,	37,417,485
Advanced on deposits of bullion,	6,013,100
Advanced on public securities,	16,888,695
Accounts current debtor,	46,387,542
Capital of the branch banks,	22,000,000
Reserve,	10,000,000
Vested in government securities,	50,250,340
Hotel and furniture of the bank,	4,000,000
Sundry credits,	1,641,447
	<hr/>
	574,257,456
	<hr/>

REMARKS ON CURRENCY AND BANKING.

BY NATHAN APPLETON, OF BOSTON.

[Extracts from a pamphlet published by the author in 1841.]

THE general consent of mankind has established gold and silver as the common measure of the value of all other commodities, and has given them in the state of coin, the name of money. Some nations making use of one of these metals, some of the other, and some of both.

Coinage may be considered as merely the affixing a certificate of the government to the quantity of pure silver or gold contained in each coin respectively, on which alone its value depends. The fitness of gold and silver for the medium of exchanging all other commodities, arises from their containing much value in small bulk, from the difficulty of their quantity being materially increased, from their easy divisibility and their indestructibility.

It is usual to consider these precious metals as the *common measure* of other property; but they have another quality essential to their performance of the function of money. Their intrinsic value makes them also the *common equivalent*. They not only measure the value of other commodities, they replace it; this is an important distinction.

The laws of the United States establish the coinage and currency of both metals. By the law of 1792, gold was estimated to be worth fifteen times its weight in silver, which was, at that time, perhaps, an accurate estimate of the actual relative value of the two metals. Since that period a decided and permanent change has taken place in that respect in favor of gold; and by the law passed in 1834, our gold coinage and several foreign coins are made current in the proportion of sixteen times their weight of silver.

The effect of this law is, to make an important change in our metallic currency. Previous to its passage, our whole currency consisted of silver; gold was merely merchandise, worth about five or six per cent. above its legal valuation. Since 1834, gold has been constantly displacing silver, and is becoming the basis of our bank circulation.

Banks are establishments for the purpose of carrying on a trade or traffic in money, or in contracts or obligations for the payment of money.

Bank notes are promises to pay on demand a given quantity of coin; they are promises to pay *money*, but they are not *money* in themselves. This is an important distinction, and the not making it, is the source of most of the popular errors on the subject of currency.

Bank notes, payable in coin on demand, in the common transactions between man and man, are generally preferred to the coin which they represent. They thus perform all the functions of money, and in common parlance are called money. But there is an important distinction, and in strictness bank notes can with no propriety be called money. A bank note gives a *power* to command the coin, the money which it promises, at the plea

sure of the holder. This *power* is more convenient, therefore more valuable to the possessor, than the *thing*, the coin itself. This preference is the true basis of bank circulation. It is founded in the nature of things. It is essential, however, that this power should be real; that it should exist, in fact; that the coin can be had on asking for. It is not perhaps, surprising, that superficial observers, seeing the facility with which bank notes perform all the functions of money, without this power to command coin being put to the test, should become insensible to its existence, or disbelievers in its necessity. They see a *faith* in this power supersede the use of the power, and sanguine and visionary spirits are led to believe that the same *faith* may be built on some other basis, or something else less expensive than gold and silver. This is doubtless the origin of the various projects for furnishing a currency of paper not convertible into coin, to which every age gives rise, and which always find favor with the debtor class of mankind, but which are sure to end in chagrin and disappointment.

Bank credits, commonly called deposits, are of precisely the same general character as bank notes; they arise from the deposit of coin or bank notes, from the collection of individual notes, or from bills of exchange, or from discounts made by the bank for the parties to whose credit they are placed. However originating, the bank admits them to be a debt payable in gold and silver on demand.

They remain to the credit of the party owning them, because a bank credit, like a bank note possessing the power of commanding the coin at any moment, is preferable to the possession of it in specie. Bank notes and bank credits are convertible into each other at the pleasure of the possessor. They are essentially the same. It has been sometimes made a question whether bank credits can properly be termed *currency*. It is a question about words, and of little importance, according to the sense in which the term currency is used. Bank credits consist chiefly of the money kept on hand by merchants and others for their daily use. Were there no banks, it would be kept at home in iron chests; and if so kept, whether in coin or bank notes, the question might be equally raised, whether these deposits in large masses should be said to be in circulation.

Preference is then the only basis of a sound paper circulation, and it is not difficult to perceive the grounds on which this preference rests; facility of counting, facility of transportation or transmission, and security against loss or robbery. To these general advantages must be added a full assurance that the money will be paid *when* wanted and *where* wanted.

The place where a bank note is payable is of the utmost importance in order to secure its general circulation at par with specie. That place must be the commercial centre of the district through which it is to circulate.

The constant demand for remittances to this central point will give to bank notes payable there, a constant equality with or preference over specie, through all the region drawing their supplies from that centre. Thus, a

bank note payable in Boston, will have a natural circulation through all that part of New England drawing their supplies from thence; but the moment the line is passed into the district drawing their supplies from New York, bank notes payable in that city, can alone supply a pure circulation, and so of the other great cities. Large towns or cities in the interior have a certain limited circle of their own, but for general circulation, bank notes must be payable in the great commercial cities.

The currency of depreciated paper, issued by banks paying specie, is owing to a departure from correct principles in this particular. The bank note is not payable at the *place* where the money is wanted. Previous to 1824, the currency of Boston and New England consisted mostly of country bank notes, subject to a discount varying at different times, but generally about one per cent. In 1824, what is called the Suffolk bank system, was adopted, by which the bills of all New England banks are virtually redeemable in Boston at par. The system is this: Certain banks in Boston have contributed a sum agreed on, to a common fund, and in consideration of the use of that fund, one of them, the Suffolk, undertakes to receive all bills of New England banks as cash, and collect them from the country banks. The mode of doing it is as follows: The country banks are invited to keep a fund in deposit at the Suffolk bank for the redemption of their bills. If they decline, the bills are sent home for payment, in which case nothing but a legal payment in coin will be received. The trouble attending this mode of payment, soon induces the bank to yield to its true interest and keep up the deposit, since it can, by doing so, keep a larger amount of bills in circulation than it would otherwise be safe to attempt. Under this system the whole currency, centering at Boston, is convertible at pleasure into legal coin, without any loss whatever—a state of things which does not probably exist in any considerable city.

Money or currency is an instrument of the first necessity to a nation. No trade or commerce can be carried on without it. A nation using a currency wholly metallic may feel a scarcity of money, but cannot be drained of it, any more than a mechanic can be made to part with the tools necessary to carry on his daily business. Overtrade may take place in such a community. An excessive importation of foreign commodities may cause an exportation of the precious metals, to a degree of inconvenience. The scarcity of money resulting from such exportation reduces prices, the effect of which is to check importation, and promote the exportation of all commodities, and thus the evil soon cures itself, by the return of the coin necessary to its trade. No other considerable importation will take place until it has in this way recovered what is of all things most important to it, *its tools of trade*.

Precisely the same thing takes place under a well-regulated bank currency. It seems to be the opinion of the best writers on the subject, that the most perfect bank circulation would be one which should be precisely

equal in amount to what the circulation of the same country would be in the precious metals, were no other circulation permitted.

The great evil of the modern system of banking is the great fluctuation which it is liable to produce in the quantity of the circulating medium. This is easily understood. Bank notes being, as already shown, *preferable* for common uses to coin, and costing nothing to make; the process of increasing the circulating medium is very easy, and is certain to go on until it meets the necessary check in a demand for payment. This check the individual bank will receive in its exchanges with other banks. However individuals may in their transactions consider a bank note as money, the banks themselves take a different view of the matter. A bank balance can only be paid in coin. Here is a check upon an individual bank; but suppose all the banks expand simultaneously, or nearly so, to which there is a natural tendency, this check ceases to operate.

In the same way an expansion in one of the cities may be checked in consequence of balances being created against it, and being demanded in specie. But suppose the cities all expand at the same time, and there is a powerful sympathy between them, the check is only to be found in the rise of the foreign exchanges to a point which induces the exportation of specie. This foreign export of specie is in fact the only check to redundancy, to excess, in bank circulation.

An expansion of the currency tends to an advance of prices—excites commercial enterprise, and finally speculation and overtrade. High prices encourage importation and discourage exportation, a rise in the foreign exchanges follows, which causes an export of specie, which acts as a proper corrective by compelling the banks to call in a portion of their issues. This is done by lessening or suspending their usual discounts. Here is action and reaction, very beautiful, and all very agreeable to the public, *except the last part of the process*. A contraction of the currency causes a pressure on the money market—reduces prices—paralyses trade—brings out failures. This is all very disagreeable. It makes what is called hard times. But in fact it is always the return from a false position to a true one. It is never necessary to diminish a currency which has not been redundant. The violence of the pressure is in proportion to the extent of the overtrade; and generally the more violent the pressure the shorter the period.

Our banking system is the subject of undeserved abuse. The system is better than the practice under it. The toleration of *abuses* under the system is the great evil. Still there are faults in it which might be remedied. One evil is the multiplicity of banks authorised to issue notes for circulation. All experience shows the necessity of legislative restraint upon the issue of notes for the purpose of circulation. The public security requires it. But under the present system, that security is wholly inadequate in most of the states, where banks with very small capitals, and those frequently nominal, are permitted to issue notes.

No bank should be permitted to issue notes without a solid, paid up capital, greatly exceeding its issues. A capital of half a million of dollars is the very least to which this privilege should be granted. New York has adopted a system of requiring a deposit of stocks as security for the payment of bank notes—but the law is deficient in making no certain capital necessary to carrying on the business of banking, and the public have suffered losses by the failure of the free banks, as they are called, from the circumstance of the depreciation or inadequacy of the stocks deposited. But the New York system has one advantage—its evils cure themselves. The idea that banking can be carried on without capital has been pretty fairly exploded under the experiment.

The great and difficult problem in a currency of bank paper, is the prevention of those fluctuations, to which experience shows such a currency is liable, in a far greater degree than a currency composed wholly of the precious metals. This problem has not been solved. The attention of the British Parliament has been for some time drawn to it. A committee have published a voluminous report of evidence taken at the last session, which certainly does not shed much light upon the matter. Their inquiries are still going on. The writer has thought a good deal on the subject, and is of opinion that no better remedy can be devised against a redundant or excessive circulation, than the levying a tax, by the state, on the privilege or right of circulation, to very near the amount of benefit or profit derivable from it. Nearly all the states require something in the nature of a bonus or tax for the privilege of a bank charter, but on principles wholly capricious or unsettled; whilst in others, the granting them is made a matter of favoritism, under the odious character of monopoly. Many advantages would arise from establishing the principle that every bank chartered with the right of circulation should pay a fixed tax on the amount permitted. The right to regulate the currency of bank notes seems properly to belong to the state, and to be a legitimate source of revenue.

The state of Massachusetts levies a fixed tax of one per cent. per annum upon bank capital. This tax is excessive in amount—is levied upon a false principle, and produces some evils. A tax of three per cent. per annum on circulation, would produce nearly the same amount of revenue, and be wholly unobjectionable in principle. The advantage of a tax upon circulation would be, that it would take away the inducement of profit, which every bank now has, to increase its circulation to the utmost—until the expansion of the currency shows itself in the export of coin—which can only be checked by a suspension of discounts, and a pressure on the money market. The bank, to be sure, has no difficulty itself in this case, if well managed. The whole pressure is thrown on the mercantile community.

But these alternations of bank expansion and nominal prosperity, followed by bank contractions, disappointment, and perhaps failures, are very much to be deprecated. A tax upon circulation might do much in check-

ing undue expansion. A fixed minimum capital, and a fixed rate of tax upon circulation, would take away the character of monopoly from bank legislation—as charters might then be granted to all who would take them, sufficient care being had to see the capital actually paid in.

The law of 1834, by which such a valuation was put upon gold as makes it the essential basis of our circulation, is calculated to have a highly favorable effect in giving steadiness to the currency by enlarging that basis; it being necessary for the banks to maintain on hand a greater quantity of coin, on account of the facility of transfer attaching to that metal as compared to silver. This effect will be increased, should an error, apparently inadvertent, in that bill be corrected, by which too high a valuation is put upon foreign gold, compared to our own coin. The consequence of this error is, that there is a positive loss of about one-fifth of one per cent. in sending foreign gold to the mint, whereas the law should have been so framed as to make it for the interest of the holders of such coin to do it. The reduction of the valuation of sovereigns and napoleons, about one-half of one per cent., would remedy the evil, and give us an actual currency of eagles and half eagles as the payment which banks would find it for their interest to make for demands on them. The effect cannot be doubted—it would add materially to the specie in the country, and thus reduce the disproportion which paper bears to coin, which is the great vice in our system.

Another mode of giving additional security to the currency, would be the establishment of a system of more frequent and rigid settlement of balances between the banks themselves. The safe and prudent banks should use the power which they possess, to keep in check the bolder and weaker banks, by calling for their balances weekly, if not daily, in actual coin. The system which has grown up of letting bank balances lie until a foreign demand for coin appears, should be abandoned. It is liable to abuse, and it is the duty of the strong banks to put an end to it.

A timid apprehension of weakness on the part of certain banks in Boston, with a cautious endeavor to avoid losses in case of explosion, led to much of the expansion in 1836. A different policy might have prevented the panic and suspension of 1837.

No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation.

A repeal of the usury laws, so far as relates to notes of hand and bills of exchange, similar to that which took place in England in 1832, would undoubtedly have a highly beneficial effect in lessening the violence of a monied pressure, as there is abundant evidence it has done in that country. The pertinacity with which all the states cling to the usury laws, the remnant of the old feudal opinion that the people cannot be trusted to take care of their own interests, is remarkable—especially after the example has been set by England. In the late report made to Parliament on banks of issue,

we find the testimony of Messrs. Norman, Tooke, and Lloyd, uniform in favor of the effect of the modification made in the law, in relieving the violence of a revulsion in the money market.

A bankrupt law applicable to banks would undoubtedly be the most efficient of measures for preventing suspensions of specie payments, and keeping banks within reasonable limits. Such a law, to go into effect in twelve months, would be the most effectual of measures for restoring and regulating the currency—to apply to a continued suspension of payment for thirty days. Constitutional objections have been suggested, but without much apparent force. Apparently nothing in the power of Congress would be so decidedly effectual as the establishment of such a law.

STATE BANKS.

THE expediency or policy of states embarking in banking, has been questioned. The operations of those institutions, whose stock was owned in part or wholly by the states in which they were located, and by whose legislatures, the institutions were, directly or indirectly, controlled, are well worthy a rigid examination.

As a general rule, we think such investments by the states, would, (as they certainly have heretofore,) result with severe losses. We have only to look at Alabama, Missouri, and other states, where these losses have been demonstrated. The combinations of politics and money are always unfortunate. Wherever the direction of a monied institution is left to state legislatures, decided by political parties, the directors selected upon political, not business, considerations, such an institution is almost sure to be mismanaged.

A writer, whom we have before quoted, observes in a pamphlet published in 1841—

“Some of the states have gone into the business of banking on their own account. It requires no great spirit of prophesy to foresee that their banks will be badly managed, and the states become losers by the business. Banks to be useful, must be founded upon real capital, *and to be well managed, must be under the immediate eye of the owners of the capital.*”

There is one exception we are glad to find to this observation, viz. The Bank of the State of South Carolina. The operations of this bank to October, 1843, show a surplus of \$ 116,701, after an allowance of seven per cent. interest per annum, on its general and specific capital: after sustaining two unprofitable branches: and after repeated loans to the state, amounting at one time to \$ 547,000, *without interest.*

The following extracts are from the report of the president of the Bank of the State of South Carolina, to the senate of that state, made in compliance with a resolution, that the “President of the Bank of the State of South

Carolina, and the comptroller general of the state be directed, severally to report such facts and reasons as they may deem best calculated to illustrate the practical effects of any proposed changes or measures in relation to the payment of the public debt, the management of the sinking fund, and the fiscal operations of the treasury, as well as their effect on the credit of the state."

[Like the Kentucky bank reports, and numerous public documents, this report has neither date of year nor month, nor name of place attached to it. We are left to conjecture these items, and from the appendix to this report, we conclude it was made in the winter of 1843—4.]

THE PRACTICAL EFFECTS OF THE FISCAL OPERATIONS OF THE TREASURY.

In considering "the practical effects of the proposed changes and measures in relation to the payment of the public debt and the management of the bank and sinking fund on the fiscal operations of the treasury," it will be necessary to examine: First, what would be their practical effects on the bank itself, and then, by that means their practical effects on the fiscal operations of the treasury. I have before stated my opinion, that the practical effect of the recommendations, if carried into operation, would be to force the bank to go into liquidation, and be wound up. The adoption of any one of these plans, or of any other measure producing a like effect on the bank, would destroy it effectually. Its name may continue to exist, but its vitality, its usefulness, will have been extinguished forever. The question then recurs, What will be the effects on the fiscal operations of the treasury, when the bank is wound up, or in effect abolished by these measures? We must consider this inquiry:

1st. In connexion with the receipt, safe-keeping, and disbursing the treasury funds. In this view, the utility of the bank is of the highest value. The public moneys, are by the collecting officers, paid into it and placed to the credit of the treasury. The treasurer checks for it, and in Charleston his check is countersigned by the comptroller general: this secures against frauds and unfaithfulness. Since its incorporation, there has been collected and paid into the bank to the credit of the treasury, about \$ 12,747,207 11 and there has been paid out on that account about \$ 11,778,057 02, making an aggregate of \$ 24,525,764 13, of receipts and payments, without costing the state anything, or the loss of a cent. For its safety, she had all the securities she had before, besides the checks of daily supervision and settlement, which the organization of the bank affords. Funds are also transferred from one treasury to the other, without risk or cost to the state, and payments are made at the treasuries more easily, rapidly, safely, and satisfactorily than they could be by paying the money itself. The measures recommended, by virtually and practically destroying the bank, would destroy all these advantages to the treasury.

OF PROFITS OF THE BANK AND PUBLIC DEBT.

To arrive at an exact idea of what profits the bank of the state has made in its operations, we must first settle the definite meaning to be attached to the word profits, and then, again, the principles on which they shall be computed.

Strictly speaking, we understand by the word profits, the clear gains made by the bank, and paid by it as dividends or profits, either into the treasury, or to the public creditors, or carried to the sinking fund; such would be the correct rule here, if it were a private bank; a machine to make the greatest amount of dividends on the capital employed for the stockholders, without regard to the general interests of the state.

But this narrow view has never found favor with the statesmen of South Carolina. And she, contemplating the question from her high position of a sovereign, who was proprietor, both of her people and their property, has felt that she best subserved her own interests by promoting theirs; that whatever bettered their condition, improved hers also; and that when she enabled them to increase their wealth, she was hoarding up riches in her own best treasury, on which, if great emergencies should come upon her affairs, she could make her drafts with the confidence that they would be cheerfully paid by a loyal people devoted to her service. She could not but know that, under the principles she prescribed in the charter for the management of its affairs, if the bank yielded that protection and generous nourishment to the enterprise, industry, and peculiar pursuits of her citizens, which she designed, she must be content with more moderate dividends on her capital, and look for a large share of her real profits, to the convenience and advantages it would afford in the state affairs, and to the improvements which would follow to her agriculture, commerce, and manufactures.

There are, however, some circumstances worthy of being carried along in the mind, which have exercised no little influence on profits, and for which due allowance should be made. In the first place, the expense of the management of this bank is necessarily greater in proportion to its capital and business, than that of any private bank; it being required by law to maintain two expensive branches, which the legislature have established for the convenience and accommodation of the public; the one at Columbia being essentially so to the treasury operations of the state. Again, the funds in the treasury are usually exhausted in December, and during the period of the most active and profitable business of the year, the bank advances, without interest, large sums of its own money, curtailing its own operations, and lessening its profits. These advances have sometimes been very considerable. They reached in May, 1821, to \$ 547,795 34, and in 1840, when the heaviest burthens the bank has ever felt were accumulated and concentrated upon it, this was one of the most embarrassing sources not merely of difficulty, but of danger and actual loss; for a more full detail of which, I refer to the annual report of that year.

Another fact is also of material bearing on this point. The bonds for debts of the fire loan, amounts to upwards of \$ 1,000,000. This portion of our capital yields us no profit, but is a source of some expense; because, by the 7th clause of the 4th section of the act of June, 1838, the bank is directed to fix the rate of interest to the borrowers "at as low a rate as will cover the interest to be paid by the state, with the necessary charge of remittance." This large fund, therefore, is administered by our officers without charge, and constitutes no part of a profit making capital; and if it were not for that branch of the business thus assigned to the bank by the law of 1838, we could dispense with one clerk, whom its management makes it necessary to retain, at a salary paid from the general profits.

In the following estimate, the interest is charged on the capital as it was received, at the rate of 7 per cent. The account between profits and interest will then stand thus—

Whole profits of the bank to 1st October, 1843, . . .	\$ 3,672,291 43
Deduct interest on original capital, at 7 per cent. . . .	2,208,993 48
Excess of profits over interest,	<u>\$ 1,463,297 95</u>

This excess is considerably more than the whole original capital of the bank.

2nd. On the original capital, and its profits, the sinking fund.

The sinking fund was, until 1840, composed entirely of the profits of the bank, and the interest set down upon the following computation is, therefore, a profit on a profit. That account stands thus:

Whole profits of bank to 1st October, 1843,	\$ 3,672,291 43
Interest on original capital,	\$ 2,208,993 48
Interest on sinking fund, or profit on profit,	569,124 41
	<u>2,778,117 89</u>

Showing an excess of profits over interest at 7 per cent. of \$ 894,173 54

Or nearly the amount of the original capital.

3d. On the original capital, sinking fund, surplus revenue, and fire loan.

In this computation, we charge ourselves with interest on the fire loan as 6 per cent. because that is the interest actually paid for it out of the profits of the bank. The account then stands thus:

Whole profits of bank to 1st October, 1843,	\$ 3,672,291 43
Interest on original capital,	\$ 2,208,993 48
“ on sinking fund,	569,124 41
“ on surplus revenue,	356,221 10
“ on fire loan,	421,250 86
	<u>3,555,589 85</u>
Balance of profits over interest,	<u>\$ 116,701 58</u>

It is also to be remarked, that interest has been allowed at the rate of 7 per cent. on all the capital or funds used in banking by the bank, except the fire loan : a mode of stating the account, which is hard upon the bank, for the funds, as a government operation, could not have been invested by the state in securities, beyond the risk and contingencies incident to individual loans, or bank stocks, which would have yielded her 6 per cent., or perhaps even 5 per cent., free of the cost of agency and management ; while in this bank, it has paid all its losses, and yielded a profit beyond 7 per cent. in all the views, which in fairness to it, could be presented.

It is also to be remarked, that for several years past, bank dividends have been greatly reduced. Heavy losses have been incurred by all, and profits have been considerably lessened. No bank in Charleston has divided for some years more than 6, and several only 5 per cent., and one at no higher rate than \$ 4 44, for the last year.

I am aware that it may be objected, that in the above computations, it is assumed, that the whole capital is safe, while bad debts may exist, and losses be realized on them hereafter. For these, as they occur, deductions are made by taking from the profits to cover them ; but, totally independent of that, it is confidently believed that, besides arrears of interest which will be collected ; the notes of the bank lost in circulation, will more than replace every loss by bad debts, which the bank will realize in years to come. A few facts will show the grounds of this opinion.

From October, 1839, to July, 1840, all the city banks were suspended, except this bank, and the bank of Charleston. Specie was 3 per cent. premium over their notes. The actual payments out of this bank from October, 1839, to June, 1840, had been to the immense amount of a million and a quarter of public debt, fire loans, state expenses, and in redeeming its own bills, which were hunted up, and brought in hourly for specie. The taxes, which had to be paid in specie paying bank notes, had also been gathered, and brought home in June, all of our bills which could be collected in the country.

It is believed, we had got in by these causes, *very nearly the whole of the notes of the bank*, in existence. Our books show, that after charging against the bank, every note it ever issued, upwards of five millions of dollars, the whole amount then outstanding, was only \$ 339,000. That a very large portion of this, perhaps nearly all, has been destroyed and lost, and will never come against the bank, there are many reasons for believing. One instance, taken from the account of our issues, as to the denomination below one dollar, will give some idea of the probable gain on the others.

Of small bills under \$ 1, there have been issued in all, . . .	\$ 385,352 18
Returned and cancelled,	305,889 18
Leaving unaccounted for, and a probable gain,	<u>\$ 79,463 00</u>

The governor indicates the opinion, that all banks are evils, and a bank operating like ours, on the funds and credit of the state, especially so; the best proof of the latter being, he says, that all other banks so formed, save ours, have failed.

How far any have been formed or administered as ours, or in what particulars they have differed, I am not now in possession of proper documents to say. My impression is, that most, if not all, established and owned exclusively by a state, have been created in the new states upon plans and principles very different, and where crude ideas of banking, and a very unmanageable temper for speculations, were prevalent; and where the failures of private banks have been more frequent and signal, and would afford, therefore, stronger proofs of the same kind against private banks here; and yet this bank has safely stood the test of 31 years, as our private banks have even a longer trial. But, it is said, it is inconsistent in our state to have connexion with, or to own a bank; for, our people "have for several years past, waged an unremitted warfare against the establishment of a similar, and not more objectionable institution by the federal government."

The similitude of the two cases is faint and unreal, being merely in name while in substance nothing can be more unlike. The connexion of the federal government with banks, whether a United States bank, or those chartered by the states, is neither warranted by the constitution, nor justified by sound policy. The federal constitution has no where granted the government either a right to create a United States bank, or to receive or pay away the notes of one, or of any other bank. Its exercise is a usurpation, tends to consolidation, and is opposed to the rightful powers of the states. The corrupting influence which the federal government might obtain, if permitted to league and ally itself with banks; the use it might make of them, (irresponsible as they are in every way to the people, or to their representatives in that government,) in undermining and subverting the constitution, constitute a part only, of the reasons on which the opposition of our people has rested. But, how can it be maintained that the instances are parallel? Has not our state a right to make a bank? And to receive and pay away its paper in her treasury operations? Or, can it be said of her bank that it is irresponsible to her, while it is, in reality, the only bank that is, or can be made responsible to her. The only one she can examine or regulate, or if she please, continue or abolish by a word. Is it consolidating and opposed to state rights, or in reality an emanation of, and supporter of them.

We oppose the national bank as unconstitutional, and as the most objectionable form of league between bank and state, not only for the reasons stated above, but because of its centralising influence on trade; because, it used the capital of our own citizens who owned stock in it, to divert its commerce from our own state, to build up rival cities and sections, and to render us in trade and finance, tributary and subject to them; to weaken, to

impoverish and to control it. Has this bank carried or driven from South Carolina, her capital, her commerce, her people, or her wealth, to strengthen her rivals, or to be turned against ourselves? So far from it, its whole efforts have been directed with all the energy, zeal, sagacity and power, which it has ever possessed, to retain, extend, multiply and sustain them at home.

F. H. ELMORE, *Pres't.*

FINANCES OF THE UNITED STATES.

Debate in the Senate of the United States, on June 2d, 1846, upon the PROSPECTIVE FINANCES OF THE COUNTRY.

MR. LEWIS, chairman of the committee on finance, introduced the following resolutions; which, by unanimous consent, were adopted:

Resolved, That the president of the United States be requested to cause to be furnished to the senate an estimate of the amount of money required during the present and the next fiscal year, for such a prosecution of the existing war with Mexico as will most likely result in its speedy and honorable termination.

Resolved, That he also cause to be reported to the senate whether the amount so required is likely to be realised in the present condition of our finances, without a resort to loans, treasury notes, or direct taxes; and, if not, what modifications of the existing tariff are required to furnish ample means for the vigorous prosecution of such war.

MR. CRITTENDEN rose, and asked a reconsideration of the resolutions of inquiry which were adopted by the senate this morning, on motion of the honorable senator from Alabama, chairman of the committee on finance. He desired the reconsideration of these resolutions for the purpose of suggesting an amendment to the second resolution, by inserting these words: "Or what other measures he would recommend as most expedient for," &c.

The resolution, it would be observed, confined the attention of the president exclusively to the modification of the tariff; but there were other sources of revenue besides the tariff, which the president might deem it proper to advert to, as being a proper means of supplying any deficiency.

MR. LEWIS said, as the object of the senator from Kentucky appeared to be merely to widen the scope of inquiry, he could have no sort of objection.

The question on reconsideration was then put and carried.

The amendment proposed by the senator from Kentucky was then read.

MR. SPEIGHT said it would be perceived by the senator, that the resolution proposed an inquiry as to whether a reduction of the tariff would be recommended as a suitable means of raising revenue and avoiding direct taxation and the issuing of treasury notes.

MR. WEBSTER said, he, of course, could have no objection to the passage

of these resolutions, though, if an opportunity were afforded, he might be disposed to propose certain amendments; but they were introduced only this morning, and at once adopted.

It would answer his purpose, however, to call the attention of the members of the finance committee, and, if it were practicable, he would also call the attention of the secretary of the treasury, to the state of things now existing in this country, or at least in some parts of it, which was not a little embarrassing—he meant the state of the money market in New Orleans, and the corresponding condition of it in the northern states. It would soon become evident to congress and the whole country, that if New Orleans should become and continue to be a point of large expenditure for the purposes of the war, and there should be no other means except such as at present exist for the transferring of funds from the north to New Orleans, very great embarrassment would be felt, not only at New Orleans, but at the north. Indeed, this was the state of things now existing. He had understood that very large remittances or transfers had already been made on government account, in specie, by internal conveyance. While this state of things existed, while the country continued to be endangered, and the states of the north were called on to furnish supplies, the evils and inconveniences attending it would be severely felt. He was desirous, therefore, while the questions embraced in these resolutions were put to the executive, that the attention of the executive and of the two houses of congress should be especially directed to the consideration of how these funds were to be transferred without great inconvenience to the community. Whether this could best be done by treasury drafts, performing somewhat the same operation as treasury notes, or by some other mode, he would not undertake to say, but it was a matter which, in his opinion, demanded the attention of the secretary of the treasury, whether some provision, if there be none existing, might not be made by law to meet the case.

He offered these suggestions that they might attract the attention of the members of the committee on finance, and also of the proper department of the executive government. Perhaps, however, the honorable chairman of the committee on finance might be prepared to say what facilities they relied upon, and how they expected the transfers to be made.

MR. LEWIS said he was not informed.

MR. CALHOUN said that the evils to which the senator from Massachusetts had alluded were certainly very great, but his apprehension was that they would prove to be remediless. As long as the exchanges were in favor of New York, there would be no difficulty; but, whenever the expenses of the government were so large at New Orleans as to turn the exchanges, nothing but gold or silver would pass. It was one of those difficulties incident to a country like ours, where the principal points were so remote from each other; and he was inclined to believe that neither a Bank of the United States, or any other contrivance, would entirely overcome the difficulty.

The object of the resolution of the chairman of the committee on finance, as he understood it, was to ascertain whether the expenses necessary for carrying on the war might not be raised out of a modification of the tariff. If the secretary of the treasury should be of the opinion that they could be thus raised, there would, of course, be no other means considered necessary; but if not, it would then be time enough to call upon him to know what other measures it would become necessary to resort to.

MR. WEBSTER said he was unwilling to think that the government might not by law, or by proper administration of the law, make the necessary transfers without the establishment of a bank—at least, that they might not make such arrangements as would greatly facilitate their operations. He felt quite certain that it would be competent for them, if authorised, and if the authority were exercised with care, to make treasury drafts, which would very much alleviate the evil; for it was quite one thing to be drawn upon, and another to remove specie to a distant part of the country. He was very much afraid there would be no avoidance of the evil, but all the operations of business would continue to be greatly checked, unless some provision of this sort were adopted.

MR. CALHOUN said it was very obvious that if the exchanges were favorable to the north, treasury drafts would answer the purpose; but if otherwise, nothing would effectually remedy the inconvenience. It would depend very much upon the amount of expenditures made. He believed that even in ordinary times, within the last few years at all events, exchanges had been, during the winter and spring months, in favor of New York. While this was the case, treasury notes would readily be taken.

MR. WEBSTER said it was well known that exchanges continually fluctuated according to the season of the year. For a part of the year they were in favor of New York, and for another part they were in favor of New Orleans. There was some objection to treasury drafts, and, as he had said, it was not for him to suggest a remedy, but it was a subject well deserving of attention.

MR. CRITTENDEN said that undoubtedly the suggestions of the senator from Massachusetts deserved the attention of the government; but it was a mistake to suppose that exchanges were generally in favor of New York. According to the newspaper accounts, they are five per cent. in favor of New Orleans. It was money that the government wanted there, and not paper. The amendment which he had offered was intended to procure the opinion of the executive as to the mode of raising revenue. Under the resolution originally proposed, it was implied that revenue was to be derived exclusively from the tariff; but it might be that the president did not consider that the most desirable and expedient mode; he might not consider it an adequate means of raising revenue. He did not want the opinion of the executive on any particular point; he wanted an answer that would subserve all practical purposes which they had in view. First, if there was

likely to be a deficit of revenue ; and, secondly, what measures he would recommend to us to supply that deficit. If, in his opinion, a modification of the tariff would be the most efficient and the best remedy, he would, of course, recommend such modification ; but he might be disposed to recommend other measures. He thought, therefore, there was nothing inconsistent with propriety in adding the inquiry suggested by the amendment.

MR. WEBSTER said he was clearly of opinion, with great deference, however, to the opinion of other senators, that the wisest thing congress could do would be to authorise a certain amount of treasury notes, for the purpose of facilitating transfers. That would be his recommendation, if he were in an attitude to recommend measures to the government.

MR. NILES said he was in favor of a system which would entirely separate the finances of the government from the banks and from the commercial interests of the country. This was the only remedy he knew of ; and if this were effected, the embarrassment would be but trifling. From their connection nothing could be expected but annoyance and difficulty. The sub-treasury still slept ; he did not know but it was the sleep of death.

MR. SIMMONS proceeded to observe that the senator seemed to suppose that the word modification was synonymous with reduction. This was an error. The president might suggest any modification, either by raising or reducing the tariff. With regard to the difficulty of making the transfers of money, he approved of the suggestion of the senator from Massachusetts, not by treasury notes but by treasury drafts. There would then be no need of a transfer of coin.

The question was then taken upon the amendment, and it was adopted.

The question recurred upon the resolution, as amended.

MR. DAVIS said he was gratified that these resolutions had been offered, and this discussion consequently elicited, by the chairman of the committee on finance, not so much on account of any difficulty existing in regard to exchanges, as in reference to the general policy which it became necessary to pursue, under the changed condition of the country, since their scheme of policy was marked out by this administration. They were informed by the president, at the opening of congress, that it was desirable to enter upon a general scheme of policy ; that it was desirable to pass what was called the sub-treasury bill ; that it was desirable also to modify, to a certain extent, what was called the tariff law ; and he believed it was considered a part and portion of that system of policy that the warehousing system should be adopted. This scheme of policy was devised in a time of peace and ordinary expenditures ; yet he supposed those measures, in the minds of most gentlemen, were viewed as one scheme, one general plan of policy. But circumstances had effected a material change in the affairs of the country ; and he would venture to say that other gentlemen, as well as himself, had felt some embarrassment, and would be somewhat at a loss as to what they were to do, unless informed of the mode by which it was proposed by the

government to raise revenue. The senator from Connecticut seemed to be surprised that the sub-treasury had not been brought forward for consideration. Perhaps it would be worthy of the consideration of that honorable senator, if the government should be obliged to resort to other means than the tariff for raising revenue, what those means should be; and if treasury notes, whether the issue of such notes would harmonise with the existence of the sub-treasury. They ought to know whether it was contemplated to reduce or to increase the tariff; this was a very important matter; and he did not feel exactly prepared to act upon questions of this description until he saw some general system of policy pointed out which would be uniform in its character. He did not feel exactly prepared to take up one of these measures and act upon it, until he saw what was to follow it. It was one of the duties which devolved upon the executive to express to congress the views they entertained in regard to the amount of money that would be requisite for the purposes of government; and it was also a duty devolving upon them to suggest the mode by which that revenue was to be raised. Until they were enlightened as to the course which was to be pursued, they would be constantly embarrassed.

MR. ALLEN said he could perceive no objection to the passage of the resolutions as amended, and he hoped, therefore, the vote would be now taken, that the senate might proceed to the consideration of the orders of the day.

MR. CRITTENDEN said, upon further reflection, he thought his purpose would be better accomplished by another amendment, which he would prepare. And, with this view, he moved that the further consideration be postponed until to-morrow morning.

The motion was agreed to.

The following is the resolution which Mr. Crittenden proposes to offer to-morrow, when the subject comes up:

Resolved, That he be also requested to communicate to the senate whether, in the event of the deficiencies contemplated by the preceding resolution, he would recommend a resort to loans, treasury notes, direct taxes, or a modification of the tariff to supply that deficiency, or what other measures, if any, he would recommend for the purpose.

In answer to the resolutions of the senate, the secretary of the treasury replied on the 15th June:

"It is believed, however, that a sum equal to \$5,534,057 of additional revenue may be produced by the modification of the tariff herein proposed—namely, to adopt, as a basis, the bill reducing the tariff reported by the committee of ways and means to the house of representatives on the 14th of April last, together with the augmented and additional duties now proposed and enumerated in schedule A. This change of the bill reported by the committee, omitting the 4th section, would make an addition to the revenue to be produced by that bill, of \$4,034,057.

"If, in addition to the modifications of the tariff above suggested, the warehousing system were adopted, as recommended in my annual report of December last, it would make an addition to the annual revenue from customs of one million of dollars, which, deducted from the above deficit, would leave a deficiency still remaining of \$13,086,046."

BANK FAILURES.

WE are informed of the failure or suspension of the following banks, since our last publication :

1. Bank of River Raisin, Monroe, Michigan. Capital, \$150,000. President, Austin E. Wing; Cashier, Norman R. Haskill. (Assignment made.)

2. Commercial Bank of Macon, Macon, Georgia. Capital, \$100,000. President, Briggs H. Moultrie; Cashier, Allen Fleming.

3. Farmers and Drovers' Bank of Erie County, Buffalo, New York. Capital, \$11,000. Circulation, according to the comptroller's report, not stated.

4. Lewis County Bank, Martinsburg, New York. Capital, \$100,000; circulation, \$85,720, May 1, 1846. This is one of the safety fund banks, its circulation payable only out of the safety fund.

5. White Plains Bank, White Plains, (free bank,) New York. Capital, \$40,000. President, Elisha Crawford; Cashier, Richard Cadmus. Circulation, May 1, 1846, \$26,837; deposits, \$58,627; due banks, \$21,755; circulation secured by bonds and mortgages, \$17,000; New York state stocks, \$35,252.

The whole number of free banks in the state of New York, in operation on January 1, 1846, was seventy-two, whose circulation at that time was \$6,442,045; and the number of incorporated banks, at the same time, was eighty-five, with a circulation of \$20,703,451.

BANK OF THE RIVER RAISIN.

"The public are hereby notified that the president, directors and company of the Bank of River Raisin have this day made an assignment of all the personal property, notes, bills, credits, accounts, dues, claims and demands due or to become due to said banking company, together with all the real estate of said president, directors and company, for the benefit of the creditors and bill-holders of said bank. Those indebted are notified hereby to make immediate payment to the undersigned, assignees. Those who have claims against said bank, will present them to the undersigned for payment, as provided in said assignment, at the late office of said Bank of River Raisin.

CHARLES NOBLE, }
H. V. MANN, } Assignees."
L. A. HALL, }

"MONROE, May 15, 1846."

This bank has undergone various mutations within a few years. In 1838 it was sold by its then stockholders to Gen. L. S. Humphrey and David A. Noble, Esq., of Monroe, who managed it till 1839, when it suspended operations. In 1841 they sold it again to Micajah T. Williams, of Cincinnati, president of the Ohio Life and Trust Company, and Mr. Prentiss

Dow, broker of Cleveland. Mr. Williams died, and Mr. Dow, who is now cashier of one of the Cleveland banks, has ever since his purchase of the bank used and protected large amounts of its circulating notes.

BANKS OF NEW YORK.

The following extracts from the last annual report of the comptroller of the state of New York, will give our readers a correct idea of the banking institutions of that state.

The comptroller is by law instructed "to suggest plans for the improvement and management of the revenues."

"The following statement shows the capital and the sums contributed to the bank fund by six of the institutions which have failed, and also the amount drawn from the fund, to pay the debts of each bank, viz.

	Capital.	Contribution to Fund.	Drawn from Fund.
City Bank of Buffalo, . . .	\$ 400,000	\$ 4,333 33	\$ 317,107 00
Bank of Buffalo,	200,000	6,000 00	584,143 22
Commercial Bank of Buffalo, .	400,000	12,000 00	608,411 87
Commercial Bank of New York, .	500,000	15,000 00	285,685 23
Commercial Bank of Oswego, .	250,000	5,308 21	237,495 63
Clinton County Bank,	200,000	4,263 00	111,604 21
	<u>\$ 1,950,000</u>	<u>\$ 46,904 54</u>	<u>\$ 2,144,447 16</u>

"In the annual report from this office in 1844, (pages 61 to 63,) some suggestions were presented in favor of compelling all those who issue paper money, and are now allowed to redeem in Albany or New York at half of one per cent., to redeem the same at par in the city of New York. This was recommended, not only as right in principle, but as a necessary measure to correct a palpable and growing abuse on the part of a class of free bankers, who were establishing banks at places remote from the channels of business, as a mere cover for putting notes in circulation in the principal cities, to be redeemed by the issuing parties, at a discount of half of one per cent.

"The legislature of 1844, as a remedy for the evil complained of, passed a law requiring in each case of establishing an individual bank, that at least \$ 50,000 should be deposited with the comptroller. This was not objectionable to the principal bankers referred to. It cut off the small shavers, and gave a monopoly of this new system of banking by shaving their own notes, to the large operators. One free bank, operating exclusively in Wall street, deposited over two hundred thousand dollars in state stocks with the comptroller, and obtained an equal amount of circulating notes; not to be used where the bank was nominally located, but to be loaned to those who

had laborers to pay on Saturday night, in the hope of shaving every one who had need of current funds on Monday morning, out of one half of one per cent., as provided by statute. It certainly would frustrate the arrangements of such a bank, to be compelled to redeem at par in the city of New York.

"It is said to be unjust, to compel one class of banks to redeem at two places. This, however, is done by the existing law; and the question is, whether that redemption shall be made at par, or at a discount of one-half of one per cent. It may be wrong to compel the banks to redeem their notes at two places; but it cannot be right to allow those who make the currency, and who are bound to keep it equal with gold and silver, to secure to themselves a profit by purchasing their own currency at a discount.

"Before the law passed for redeeming in New York or Albany, at half of one per cent., the Revised Statutes imposed a severe penalty on the officers or agents of the banks for purchasing their own paper at a discount. The 29th section, title 2, of chap 18, 1 R. S. declares that:

"No corporation having banking powers, and none of its directors, officers, agents or servants shall, directly or indirectly, purchase or be interested in the purchase of any promissory note, or other evidence of debt, issued by such corporation, for a less sum than shall appear on the face thereof to be then due; and every person violating the provisions of this section, shall forfeit three times the nominal amount of the note, or other evidence of debt, so purchased."

"The apprehension that a redemption at par in New York, would send back the notes upon the bank, and leave their place to be filled by a less valuable currency; or that the banks thus redeeming at par, would be restricted in their circulation and curtailed in their profits, is not borne out by the experience of those banks which have for a long time kept their notes at par in the city of New York."

"So far as the banks are relied on for a currency, there is no marked distinction between those created under the different modes. The incorporated bank issues small bills and large bills, and the free bank does the same; and those interested in each are desirous that the great mass of bill-holders should become converts to the doctrine, that bank notes are better for the possessor than gold and silver coin. So far, therefore, as relates to the blessings conferred, or the evils inflicted on the people by a paper currency, the free and incorporated banks may be regarded as one system.

"Formerly one class of the incorporated banks, those chartered since 1829, paid a certain sum into the state treasury to secure all the creditors of an insolvent bank against loss; but this feature of the safety fund system was changed by the 5th section of the act, chap. 247, of the Laws of 1842, and now and hereafter the safety fund is security only for the notes in circulation.

"The securities of the free banks in the hands of the comptroller are

pledged only for the indemnity of bill-holders. Here again the two systems are alike, so far as the interests of creditors are concerned.

"In the security of the public under each system, our experience in the failure of ten safety fund banks, and about three times that number of free banks, proves that the contributions of half of one per cent. annually on the capital of the safety fund banks, has thus far afforded as much protection, as the deposit with the comptroller by the free banks, of a sum nominally equal to all the bills issued to them. The loss to bill-holders, on the supposition that all the securities had been stocks of this state and bonds and mortgages, would have been over 16 per cent., while the actual loss has been nearly 39 per cent. The loss to first holders of the safety fund notes was from 20 to 25 per cent., and there has been a loss of about four years' interest to subsequent purchasers: whereas, in the cases of the free banks, the securities were sold and proceeds paid to bill-holders within a few weeks after the failure of the bank."

"The only securities on which banks can be established under the free system, are bonds and mortgages, and stocks of the state of New York. If the chartered banks should have no other alternative than to associate under the free bank law, as has been done by the North River, the Fulton and Chemical banks of New York, and the Long Island and Dutchess County banks, it would create such a demand for state stock as might interfere with the extinguishment of the state debt, or render it impracticable to obtain the required security for banking.

"The bill-holders of the safety fund banks might be amply secured, by the payment annually into the treasury of a sum equal to half of one per cent. on the capital, during the life of the charter; this sum to be invested, and the accumulations added to the fund, and held by the state as trustee for the bill-holder. Under the present bank fund law, the payments continue for six years only, and the accumulations are distributed annually among the contributing banks, unless the insolvency of some of them creates a necessity for a different distribution. In addition to this, security might be exacted for the punctual payment of the per centage, on the delivery of the circulating notes to the officers of the banks, and such a provision would effectually protect the bill-holder as well as the associated banks."

"There are seventy-two associations and individual bankers now in operation, whose aggregate circulation on the 31st December, 1845, was \$ 6,442,045.

"The securities of the above banks in the hands of the comptroller consist of—

New York state	4½ per cent. stock,	. . .	\$ 218,876 56
do.	5	do. . . .	2,135,113 53
do.	5½	do. . . .	441,000 00
do.	6	do. . . .	465,592 00
do.	7	do. . . .	544,880 00
			<hr/> \$ 3,805,462 09

				\$ 3,805,462 09
United States,	5	do.	. . .	\$ 55,000 00
do.	6	do.	. . .	50,000 00
				105,000 00
Indiana state stock,			. . . . .	\$ 158,000 00
Illinois do.			. . . . .	513,000 00
Arkansas do.			. . . . .	499,000 00
Alabama do.			. . . . .	34,000 00
Michigan do.			. . . . .	500,293 60
				\$ 1,704,293 60
				\$ 5,614,755 69
Cash deposited,			. . . . .	22,436 10
Bonds and mortgages,			. . . . .	1,655,588 98
				\$ 7,292,780 77
				\$ 6,442,045 00

STATE FINANCES.

ILLINOIS.

CIRCULAR TO THE HOLDERS OF ILLINOIS BONDS.

EXECUTIVE DEPARTMENT, }
 Springfield, Illinois, April 30th, 1846. }

SIR—The frequent inquiries which have been addressed to me by the creditors of the state, in relation to the proceeds of the one mill tax, applicable to the payment of interest on the state debt, have induced me to address you this circular.

It is known that the legislature of this state, at its session of 1844-5, passed a law, levying a tax of one mill on every dollar's worth of property for the year 1845; and one mill and a half for every year thereafter, to be collected in gold and silver coin; and to be applied on the first day of July and January, of each year, to the payment of interest, on all canal and internal improvement bonds, except the bonds hypothecated to Messrs. McAllister & Stebbins. The first payment is to be made on the first day of July next; but it is not known yet how much of the tax of 1845 will be paid into the treasury by the collectors of the several counties by that day.

The auditor of public accounts informs me, that not quite all the assessments for 1845 have been returned to this office; but from the returns which have been received, and estimates from former assessments, the auditor is confident that the whole value of the property assessed for 1845, will amount to eighty millions of dollars; and the assessments for 1846, it is thought will amount to ninety or a hundred millions. The one mill tax for 1845,

when collected, will be \$ 80,000, or more. And the mill and a half tax for 1846, will be at least one hundred and twenty five or thirty thousand dollars.

But the tax for 1845 is not likely all to be collected, as soon as our creditors may expect it to be. As yet, only about 18,000 of this tax has been paid into the treasury.

The revenue laws of this state require that the assessments shall be completed each year, by the month of August. In September, the sheriff of each county commenced collecting. They are to make their first settlement and payment into the treasury by March of the next year. There are ninety-eight counties, ninety-eight assessors, and ninety-eight collectors. Among such a multitude of public agents, there are always some that are slow in making collections, and put off the performance of their duty to the last hour; and a few delinquencies and defalcations occasionally occur. If the collector has not, by the month of March, succeeded in collecting all the taxes due for the preceding year, he is to advertise the lands upon which they are unpaid. At the first circuit court of his county after the month of March, he presents his delinquent list to the court, and gets a judgment and order of sale against the lands, for the taxes, interests and costs. He is then to offer them for sale within four weeks; and if they are not all sold, the residue is stricken off to the state, again to be offered for sale in two years thereafter. The collector, immediately after such sale, is to settle with the auditor, and make his payments into the treasury. The collectors will be coming in now, all the time from this until the first of July. Payments will be made into the treasury during all that time.

Taking our former experience for a guide, I am confident that all of the proceeds of the tax for 1845, will not have been paid into the treasury by the first of July next. It will take two or three years before the proceeds of this special tax will be realized. The balances and deficiencies for 1845, will be paid in 1847: those of 1846, in 1848: and those of 1847, in 1849. So, that it may be, that the whole amount collected in any one year may not equal the whole amount of a year's tax, until 1847, or '48.

I have been requested to give authority to the agents of the state of Illinois, in New-York and London, to pay on the first day of July next, one per cent. for one year. I do not now believe that the sum to be received by the first of June, will be equal to such a payment. On the first of June next, I will ascertain the amount received, and the agencies of the state will be instructed how much to pay.

I have the honor to be, very respectfully,

Your obedient servant.

THOMAS FORD,

Governor of the state of Illinois.

MAINE.

The finances of Maine on the 30th April, 1846, are stated as follows by the treasurer—

The receipts into the treasury, from Jan. 1st, 1845, to April 30th, 1846, inclusive,	\$ 610,891 46
Cash in the treasury, Jan. 1st, 1846,	392,422 24
Total receipts,	\$ 1,003,313 70
Expenditures for same time,	634,210 16
Balance in the treasury,	\$ 369,103 54
The resources of the state, in unpaid taxes and cash in the treasury, was	\$ 641,200 41
The total liabilities of the state on the 30th April, 1846, funded and floating debt, were	
Funded debt,	\$ 1,274,285 00
Floating debt,	167,224 21
Total debt, April 30th, 1846,	\$ 1,441,509 21
The receipts of the ensuing financial year, are estimated at,	751,876 46
Estimated expenditures for same period,	306,247 97
Estimated balance,	\$ 445,628 49

This large amount of cash on hand, was made up as follows :—Received on account of the north-eastern boundary, \$ 142,382 44; from the land agent, \$ 156,871 03. This sum exceeds by nearly one hundred thousand dollars, the amount estimated, and is a larger sum than was ever before paid into the treasury from that department, since the organization of the government of that state. \$ 19,716 23 more has been received as that state's portion of the proceeds of the sales of public lands. All the state scrip due, and 90,000 due in 1848, has been taken up.

MICHIGAN.

In his annual message for 1845, Gov. Barry said : “*The whole acknowledged indebtedness of the state and its resources are exhibited by the following statement :*”

FUNDED DEBT.

Due on bonds issued for five million loan, and for \$ 200,000 borrowed for Ypsilanti and Tecumseh, and Allegan and Marshall Rail Road Companies, including interests to July 1st, 1845,	\$ 2,990,000 00
Palmyra and Jacksonburgh Rail Road bonds,	\$ 20,000
Unpaid interest on do. to Nov. 1844,	4,900—24,900 00
Detroit and Pontiac Rail Road bonds,	\$ 100,000
Unpaid interest on do. to July, 1844,	17,280—117,280 00
University bonds assumed by the state,	39,212 48
	<u>\$ 3,171,392 48</u>

		\$ 3,171,392 48
General fund bonds,	\$ 100,000 00	
Penitentiary bonds,	60,000 00	
Interest on do. not called for,	8,850 00	
Delinquent tax bonds,	15,000 00	—183,850 00
		<u>\$ 3,355,242,48</u>

UNFUNDED DEBT.

Internal improvement, warrants outstanding, \$	520,457 55	
Interest on do. to Dec. 1st, 1844, estimated,	50,000 00	
Land warrants outstanding,	7,413 89	
Scrip,	51,000 00	
Interest on scrip, estimated,	9,000 00	
Tax bonds to counties,	12,591 00	
Interest on do., estimated,	1,409 00	
Warrants on general and other funds,	8,726 19	
Interest on do., estimated	700 00	
Due for redemption, and surplus money on tax sales,	8,858 27	
Due principal of primary school fund,	51,779 00	—721,934 90
		<u>\$ 4,077,177 38</u>

RESOURCES.

Central rail road cost, to Dec. 1st, 1844, \$	4,842,308 00	
Southern rail road cost, to Dec. 1st, 1844,	936,295 00	
Ten per cent. added for interest paid during construction, and other incidental expenses,	277,860 00	
Palmyra and Jacksonburgh Rail Road cost, including interest,	30,000 00	
Locomotives and cars on Central Rail Road,	110,000 00	
Locomotives and cars on Southern Rail Road,	51,000 00	
Materials on other works,	500 00	
		<u>\$ 3,247,963 00</u>
Total value of rail roads and fixtures,		
Due from Detroit and Pontiac Rail Road Company,	130,000 00	
Value of unsold internal improvement lands at minimum price,	467,500 00	
Salt spring lands, 92 sections, at \$ 2 00 per acre,	92,160 00	
Taxes uncollected, and cash on hand,	179,000 00	
Assets of Michigan State Bank, and other assets, estimated	33,377 00	
		<u>\$4,150,000 00</u>
Excess of resources over liabilities,		<u>\$ 72,822 62</u>

To this statement, Gov. Barry added in substance, that, taking into consideration certain other matters, the resources and liabilities of the state would be about equal.

THE IMPORTANCE OF BANKS TO THE RISE AND PROGRESS OF STATES.

A COUNTRY WITH BANKS—AND A COUNTRY WITHOUT BANKS.

THE HON. Waddy Thompson of South Carolina, late Minister to Mexico, in his recently published work entitled, "Recollections of Mexico," makes the following comparison between Mexico and Massachusetts.

"Mexico was colonized just one hundred years before Massachusetts. Her first settlers were the noblest spirits of Spain in her Augustan age, the epoch of Cervantes, Cortes, Pizarro, Columbus, Gonzala de Cordova, Cardinal Ximenes, and the great and good Isabella. Massachusetts was settled by the poor pilgrims of Plymouth, who carried with them nothing but their own hardy virtues, and indomitable energy. Mexico, with a rich soil, adapted to the production of every thing which grows out of the earth, and possessing every metal used by man—Massachusetts with a sterile soil, and ungenial climate, and no single article for exportation but ice and rock. How have these blessings, profusely given by Providence, been improved on the one hand, and obstacles overcome on the other? What is now the respective condition of the two countries? In productive industry, wide spread diffusion of knowledge, public institutions of every kind, general happiness, and continually increasing prosperity; in letters, arts, morals, religion; in everything which makes a people great, there is not in the world, and there never was in the world, such a commonwealth as Massachusetts. 'There she is! look at her!'—and Mexico."

The writer, most appropriately, could have pointed to those important *levers* used in the advancement of Massachusetts, so conspicuous and general in that state; and in which Mexico is so conspicuously deficient, viz.—free schools, domestic industry, internal improvements, *banking institutions*. Point to us a state or country without these important aids, and that country can be shown to be a century behind the age, in civilization, science, and the arts.

BANK DIVIDENDS.

MAY AND JUNE, 1846.

Bank of Baltimore, Baltimore,	3 per cent.
Bank of Smyrna, Smyrna, Delaware,	3 "
Merchants' Bank, New-York,	4 "
Mechanics' Bank, New-York,	4 "
Farmers and Mechanics' Bank, Frederick, Md.,	4½ "
Patapsco Bank, Ellicott's Mills, Md.,	3 "
Mechanic's Bank, Baltimore,	3½ "
Quinnebaug Bank, Norwich, Conn.,	4 "
Miners' Bank, Pottsville, Penn.,	3½ "
Washington County Bank, Williamsport, Md.,	3 "

EXCHANGES

BETWEEN ENGLAND AND THE CONTINENT.

From the London Economist for April.

THE causes which have combined for so long a period to maintain the foreign exchanges at rates so favorable to this country, are well deserving the attention both of the merchant and the politician, at this particular time. The investigation of this subject cannot fail to expose the groundless nature of the alarms of some of the opponents to free trade, who appear to associate a derangement of the currency with every considerable importation of grain, without any discrimination of the circumstances under which it takes place. It may also be of the highest utility in enabling the merchant to form a correct estimate of the effects which present and coming events are likely to exercise over this important element in all monetarial calculations.

It may, perhaps, be necessary, in order to render our further remarks more intelligible, that we should refer to the general principles which regulate the exchanges, and to the usual causes of their fluctuations. Every country advanced in civilisation, assumes some commodity as a standard of value, in which the prices of all other commodities are expressed. The commodity assumed as such standard of value in this country is gold, an ounce of which represents 3*l* 16*s* 10½*d* of our money in account. Every sum therefore expressed in sterling money represents as many ounces of standard gold as the sum itself bears a proportion to 3*l* 16*s* 10½*d*—a *pound* sterling being in fact a convertible term for 5 dwt. 3¾ gr. of gold. In France, and in most other countries, the commodity assumed as the standard of value is silver, of which 3 dwt. 5½ gr. represent a *franc*, the French money in account. The *par* of exchange, therefore, between France and England must be determined by the relative value of silver and gold, and the proportion which 3 dwt. 5½ gr. of the former metal, or a *franc*, bears to 5 dwt. 3¾ gr. of gold, or the *pound* sterling. Computed at our mint price, this quantity of gold representing a *pound* is equal to (within an insignificant fraction) *twenty-five* times the quantity of silver representing a *franc*; so that the *par* of exchange between France and England is twenty-five francs to the pound sterling.

There are two ways in which this relation of the *franc* to the *pound* may be changed, or, in other words, in which the rate of exchange may be altered: first, a permanent change in the relative value of the two metals, either by being produced or by being consumed for other purposes, in different proportions than formerly, will permanently alter the *par* of exchange. For example, if an unusual production of silver were to take place, and the supply to be materially increased, while that of gold remained stationary, the intrinsic value of silver, in relation to gold as well as other commodities, would fall, and the quantity of silver represented in *twenty-five francs* would no longer be equivalent to the quantity of gold

represented by *one pound sterling*. Or if, on the other hand, the consumption of gold for jewelry, plate, or even for coin, were to increase in a greater proportion than the supply, and also in a greater proportion than silver, the intrinsic value would rise, and the quantity represented in a *pound sterling* would be more valuable than the quantity of silver represented by *twenty-five francs*. In either of these cases, the *par* of exchange upon France would rise, and the *pound sterling* would represent as much more French money in account, as the altered relative value of 5 dwt. $3\frac{1}{4}$ gr. of gold bore to 3 dwt. $5\frac{1}{2}$ gr. of silver. The second and more usual way in which the rates of exchange fluctuate, is by the changes which take place in the balance of payments between the two countries. The *par* of exchange is fixed by the value of the respective metals in London and Paris; and as long as the exports and imports of the two countries, and claims arising from other sources, exactly balance each other, the exchange will remain at *par*. The amount of bills drawn by one country will exactly balance the amount drawn by the other. But if, from any circumstance, the payments due to England by France become larger than those due to France by England, bills upon England rise to a premium, and the *pound sterling* then represents more than *twenty-five francs*. It must, however, be plain that no greater permanent change would take place from this cause than the cost of transmitting the metals themselves from the spot where the debt is due to that where it is payable. And thus it is, when the balance becomes sufficiently large to raise the premium upon bills so much above *par* that the transmission of bullion would be more profitable, that either merchants remit gold instead of bills, or, which is more usual, bankers and dealers in bills of exchange transmit bullion, and draw bills against it, which are supplied to the merchant. The transmission of bullion is, therefore, seldom for the immediate purpose of making purchases, but for the ultimate balancing of merchants' and bankers' accounts after purchases have been made.

The high rate of exchange which has been maintained so long between this country and the continent of Europe has naturally induced us to inquire if that effect has been produced in any degree by a permanent change in the relative value of the metals. So far, however, we have not been able to discover any evidence that such has been the case. The supply of silver has not been more than usually large; and though the consumption of gold for jewelry and plate has been much on the increase of late years, yet the additional supply, including the new source in Siberia, has probably been quite as great. Mr. M'Culloch, in the new edition of the *Commercial Dictionary*, states the produce of the gold washings in Siberia, which, in 1830, amounted only to *five poods*, to have been, in 1843, no less than 1,342 poods, being equivalent, after adding *one-fifth* as the quantity which it is calculated is not brought to the public account, to 3,298,962*l*. So great an increase of the supply of gold, considered alone, would have led us to expect a diminished value of this metal, and, consequently, a lower permanent rate of

exchange; and, perhaps, no fact could speak more strongly to the great increase of consumption of this metal generally, than that such an effect has not been produced.

We are, however, satisfied that there have been sufficient causes of a mercantile nature in operation during the last few years, satisfactorily to account for the state of the exchanges; and it is these we now propose shortly to investigate.

For some years prior to 1839, the trade between this country and the continent of Europe showed a steady but slow increase. After the American crisis of 1836-37, which materially depressed the foreign exchanges, and caused a severe drain of bullion, a sudden reaction took place, the exchanges were corrected by the great reduction of our imports in 1837, and the bullion in the bank rapidly increased from 4,048,000*l* in March, 1837, to 10,126,000*l* in April, 1838. During the whole of 1838 the exchanges remained steady, and there was every appearance of the trade between this country and the continent of Europe being nearly balanced. For several years, however, prior to the close of 1838, the import of grain from the continent had formed a most insignificant item in that trade; our entire consumption of foreign wheat having been—

	<i>qrs.</i>		<i>qrs.</i>
1832,.....	325,435	1836,.....	30,554
1833,.....	82,346	1837,.....	244,619
1834,.....	64,653	<i>first quarter of</i>	
1835,.....	28,483	1838,.....	35,207

The whole foreign wheat taken for consumption in those six years and nine months having only been 821,297 quarters. During this period, it is then evident that the trade between this country and the continent of Europe must have been adjusted and balanced, without reference to any important shipments of grain. The wool, tallow, flax, hemp, silk and other produce usually imported by us, were paid for, to a certain extent, by our own manufactures, and the remainder by foreign and colonial produce, such as indigo, coffee and sugar, imported by us in exchange for our manufactures exported to other parts of the globe. In the autumn of 1838, a sudden import of wheat commenced, and continued upon a large scale until the end of 1842. The quantity of foreign wheat imported from that period till the end of 1845 was as follows:

<i>last 3 months of</i>	<i>qrs.</i>		<i>qrs.</i>
1838,.....	1,533,878	1842,....	2,722,305
1839,.....	2,634,557	1843,.....	940,120
1840,.....	1,999,519	1844,.....	1,100,305
1841,.....	2,409,754	1845,.....	871,443

The imports of wheat which began in the autumn of 1838 amounted to 4,168,435 *qrs.*, in fifteen months, representing a sum of not less than 12,000,000*l*, which sum was thus added to the value of our imports without any equivalent being exported, and the balance of account was thus sud-

denly turned against us. The payments due by England to the continent were larger than those due by the continent to England; drafts on the continent rose to a premium, and at length it became necessary to transmit bullion to balance these accounts, and to correct the exchanges. On the 5th of January, 1839, the amount of bullion in the bank was 9,336,000*l*; and on the 5th of December, notwithstanding the loan from the Bank of France, it was reduced to 2,887,000*l*. In 1840 the importation of wheat still continued upon a large scale, but notwithstanding there was an evident tendency for the exchanges to turn in favor of England, by means of the increased exports of manufactures, for which a greater demand was soon experienced, partly in consequence of the reduced prices of our goods, and partly from the additional demand created on the continent by our imports of wheat; and considerable progress would have been made in 1840 towards restoring our bullion, but for a new cause of disturbance which operated for some time in preventing it. The general fear which existed in Europe in the autumn of 1840 of a rupture between France and England induced the continental bankers generally to dispose of securities in the London market, in order to increase their reserves of money. Yet, notwithstanding this circumstance, and a continued large import of wheat, and the partial repayment of the loan from the Bank of France, the bullion in the Bank of England had increased in December, 1840, to 3,511,000*l*. In 1841 the import of wheat was still larger than in 1840, the whole of the advance of the Bank of France was repaid, but yet such was the tendency of our exports to rise up to the amount of our imports, that in December, 1841, the bullion amounted to 4,486,000*l*. In 1842 the largest import of wheat on record took place; but notwithstanding this, our exports had increased so largely, in consequence of low prices at home, and from having created new customers abroad, that at the end of the year the bullion in the bank had increased to no less than 10,330,000*l*. We had thus become able to add to our usual imports from the continent, a large quantity of wheat, without causing any disturbance in the exchanges. We will shortly examine how this was accomplished, by comparing the amount of our exports to those countries in 1837, the last year prior to the commencement of these transactions, with the same in 1842, when they had continued for three years. The following is a comparison of the exports of British manufactures to the chief continental countries at these two periods:

	1837.	1842.
	£	£
Russia,	2,046,592	1,885,053
Sweden,	101,121	199,313
Norway,	72,413	134,704
Denmark,	103,448	194,304
Prussia,	131,536	376,651
Germany,	4,898,016	6,202,700
Holland,	3,040,029	3,573,362
Belgium,	804,917	1,099,490
France,	1,643,204	3,193,939
Total,	<u>12,841,276</u>	<u>16,839,516</u>

We thus arrive at the striking fact, that while our entire exports were undergoing a considerable diminution, as they did from 1838 to 1842, our exports to those countries from which we imported grain, increased more than 4,000,000%. The exchanges were, in short, corrected by our exports rising to an equivalent to our increased imports.

With the commencement of 1843 we come to the causes which, for the last three years, have operated so strongly in maintaining high exchanges and a large stock of bullion. Independent of the large imports of grain from the continent, our export trade, especially of cotton manufactures, was materially aided by the rapid improvement of machinery, and consequent economy of production, and the low prices of the raw material, which, for the last three years, have created a consumption of those goods without any precedent in extent. In 1843 the import of wheat fell to about *one-third* of the quantity imported in 1842; an extended market having been made for our manufactures was not suddenly lost, and thus the reverse of the operations which took place in 1839 created a large balance in our favor to be remitted from the continent, the exchanges became very high in our favor, and at the end of the year the bullion in the Bank was nearly 14,000,000*l*. During the last two years, (1844 and 1845,) the import of wheat has continued small, compared with the years from 1838 to 1842, while the extreme low prices of our manufactures have enabled us still to sustain an export of those goods, little diminished, to the corn-growing countries, and greatly to increase them to the other markets of the world.

We therefore come to the conclusion that the high rates of exchange which have been maintained for the last three years, have been caused, first, by the sudden reduction of our imports of wheat in 1843 to about 900,000 quarters, after our trade had adapted itself to an annual import considerably exceeding 2,000,000 quarters in each of the four preceding years; secondly, to the great economy obtained in our processes of manufactures by improvements during the last six years; and thirdly, by the extreme low prices of cotton wool, especially during the last two years, the products of which constitute nearly one half of our whole exports; and lastly, to the general prosperity of our customers on the continent, who have been enabled to consume our manufactures to so large an extent. In 1837 the exports of cotton goods amounted to 20,598,000, and in 1844, notwithstanding the great reduction of price, they amounted to 25,805,348*l*. In 1837 our exports of all kinds to the continent of Europe amounted to 19,401,320*l*, and in 1844 to 25,621,185*l*.

The important inquiry in which all are now most deeply interested is, how far the same causes are likely to continue. As far as we can judge from present appearances, we do not think it probable that any such important increase will take place in our imports of grain, as will of itself be calculated materially to affect the exchanges. The supply of cotton continues very large, and the prices fully as low as on any former occasion.

Our manufactures are conducted upon a scale of perfection and economy never before equalled. So far then as these elements of the question are concerned, there would appear at this time little to be apprehended to lead to any reduction in the exchanges. There have, however, been some other symptoms visible of late, which would lead us to fear that some reaction in the course of the present year must be expected. During the last six months our imports of all leading articles have been, and continue to be, very considerable, while at best, our exports up to December last, were stationary; and since then, especially to the continent of Europe, the demand for our leading articles of manufacture, and more particularly for cotton and worsted goods, has been, and continues to be, very limited, compared with what it was a year ago. This is to be attributed to the depressed state of some of the chief markets of Europe, partly in consequence of the scarcity and consequent high price of food, and partly owing to the unwieldy speculations into which they have entered, to construct railways to an extent much beyond their means. These causes threaten to diminish the amount of our exports during the present season; while the large proportion of our labor employed in the construction of railways, will maintain wages comparatively high, promote a large consumption of foreign produce, and in the course of time lead to an extent of importation which our exports will not be adequate to meet. There is no *immediate* danger of such a disturbance as we now allude to, but the whole tendency of our trade, and the distribution of our capital and labor at this time, points to such a result, sooner or later, as highly probable, unless stringent means are used to prevent it.

BANK STATISTICS.

OHIO.

CLINTON BANK, OF COLUMBUS, OHIO, }
May 1, 1846. }

Resources.

Notes and bills discounted,	\$ 529,612
Notes and bills in suit, and judgments,	63,659
Real estate,	29,122
Due from western banks,	8,246
Sight exchange in eastern cities,	22,458
Short time exchange in eastern cities,	123,275
Treasurer of the United States,	40,015
Bank notes and certificates,	43,433
Ohio stocks and bonds,	73,510
Gold and silver coin,	143,125
	<hr/>
	\$ 1,076,458
	<hr/>

Liabilities.

Capital Stock,	\$ 300,000
Contingent fund,	35,000
Discounts, premium and profits,	14,901
Due to banks,	6,653
Due to depositors,	78,029
Due to treasurer of United States,	89,362
Circulation,	552,511

\$ 1,076,458

D. W. DESHLER,
Cashier.

BANKS OF THE STATE OF NEW-YORK.—MAY 1, 1846.

148 banks, and two branches—besides 3 banks which have not reported.

Liabilities.

Capital,	\$ 42,829,014
Profits undivided,	5,115,450
Old circulation,	824,506
Registered circulation,	19,991,986
	<hr/> 20,816,492
Due the state of New-York,	291,964
Due the canal fund commissioners,	354,364
Due depositors and individuals,	31,720,750
Due to banks,	11,823,784
Due treasurer United States,	3,493,622
Miscellaneous,	549,553
Total Liabilities,	\$ 116,994,993

Resources.

Discounts, miscellaneous,	\$ 66,807,739
Discounts to directors,	4,876,216
Discounts to brokers,	907,476
Due from directors, other than loans,	37,403
Due from brokers, other than loans,	417,200
Real estate,	3,515,963
Bonds and mortgages,	3,033,610
Stocks and promissory notes,	10,989,417
Bank fund,	172,944
Over drafts,	134,722
Loss and expense account,	383,821
Specie on hand,	8,171,624
Cash items,	5,839,700
Bills of solvent banks,	2,851,351
Bills of suspended banks,	5,162
Due from banks and bankers,	8,850,645
Aggregate resources,	\$ 116,994,993

~~63~~ The three following banks have not reported to the comptroller, for the quarter ending 30th April, 1846.

I. Farmers and Drovers' Bank of Erie Co. Buffalo.

II. Farmers and Mechanics' Bank of Ogdensburg.

III. Patchin Bank, Buffalo :

The aggregate liabilities of all the banks in New-York, at five different periods, were as follows :

November 1, 1843,	\$ 111,614,722
August 1, 1844,	117,362,775
November 1, 1845,	120,401,997
February 1, 1846,	117,695,527
May 1, 1846,	116,994,993

MISCELLANEOUS.

FOREIGN COINS.—A bill has passed the Senate of the United States, establishing the value of coins, in all computations thereof at the custom houses, as follows :

The specie dollar of Sweden and Norway at,	\$ 1 05
The specie dollar of Denmark at,	1 05
The thaler of Prussia and of the northern states of Germany at,	69
The florin of the southern states of Germany at,	40
The florin of the Austrian empire and city of Augsburg at,	48½
The livre of the Lombards Venitian kingdom, and the livre of Tuscany at,	19
The franc of France and of Belgium and the livre of Sardinia at,	18 6 mills
The ducat of Naples at,	80
The ounce of Sicily at,	2 40
The pound of the British provinces of Nova Scotia, New Brunswick, Newfoundland, Canada, at,	4 00

The state of New York advertises for a loan of \$ 300,000 to pay arrearages to contractors on the public works. The proposals are for a five per cent. stock, interest payable quarterly, and the principal reimbursable in 1864. If public events do not take an unfavorable turn, this loan will, we presume, be obtained at *par*.

The annual meeting of the stockholders in the Bank of Cape Fear was holden in May, at their banking house in Wilmington. The directors were instructed to establish a branch of the Bank at Salem, Stokes county, in place of the agency now existing there.

Directors of the Bank at Wilmington for the ensuing year :—John Hill A. J. DeRosset, Gabriel Holmes, John Wooster, E. B. Dudley, P. K. Dickinson, Sam'l Shuter, John D. Jones, John Walker, Samuel Black, O. G. Parsley.

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**WAR WITH MEXICO—ACTION OF THE BANKS.**

**KENTUCKY.**

At a meeting of the directors of the Northern Bank of Kentucky, held at Lexington, it was resolved, that the sum of \$ 150,000 be tendered to the Governor of Kentucky, to enable him to fulfil the requisition which has been made upon him for troops for the succor of our army in the south ; and he is fully authorised to draw for that amount if he should need it.

**MISSOURI.**

We learn that Judge Mullanphy made application to the Bank of Missouri at St. Louis, for \$ 5,000, so that the volunteers might receive a month's pay in advance. The Judge produced his authority, but offered his note satisfactorily secured, if the money could be procured no other way. His proposition was lost in the Board of Directors by a vote of six to three. The note was offered at four months, with renewals, and ten per cent. deducted at each renewal.

Resort was had to private subscriptions, with the following result, which speaks well for the patriotism of our capitalists :

|                  |          |                     |         |
|------------------|----------|---------------------|---------|
| J. B. Brant      | \$ 1,000 | Jas. Glasgow        | \$ 200  |
| J. & E. Walsh    | 500      | Benj. Stickney      | 100     |
| J. H. Lucas      | 500      | A. Meier & Co.      | 100     |
| B. Mullanphy     | 500      | D. D. Mitchell      | 200     |
| Robt. Campbell   | 200      | Ferd. Kennett       | 200     |
| O. D. Filley     | 200      | Woods & Christy     | 200     |
| J. B. Sarpy      | 200      | Loker, Renick & Co. | 100     |
| Alfred Vinton    | 100      | Abbott & Peake      | 200     |
| William Millburn | 200      | I. Walker (guar.)   | 590     |
| K. M'Kenzie      | 200      |                     |         |
| Total,           |          |                     | \$ 5490 |

We understand that the Bank of Missouri yesterday resolved to loan the state \$ 10,000, for the benefit of the volunteers, without interest, and to increase the amount, if necessary.

**FERDINAND KENNETT**, Esq., president of the Bank of the State of Missouri, having accepted a command in the St. Louis Legion, now on its way to Texas, the board of directors of the bank, on Tuesday last, elected **EDWARD WALSH**, Esq. president pro tem.—*St. Louis Repub. May 25.*



## OHIO.

EXECUTIVE OFFICE, OHIO, }  
Columbus, May 22, 1846, }

SIR:—Under a requisition of the president of the United States for volunteer troops from this state, to engage in the war with Mexico, an effort is now making to raise three regiments.

Troops are now mustering and enrolling themselves for that purpose, and consequently, expenses are daily incurred for their subsistence, removal, &c.

Understanding that the Clinton Bank of Columbus has government funds on deposit, the object of this communication is to inquire whether the executive of this state can draw from the United States government fund, the amount necessary for these current expenses, &c.

A reply at your earliest convenience, is respectfully requested. I have the honor to be yours, &c.

M. BARTLEY.

To D. W. DESHLER, Esq.,

Cashier of the Clinton Bank of Columbus.

CLINTON BANK OF COLUMBUS, O., }  
May 23d, 1846. }

SIR:—In reply to your favor of the 22d inst., I have the honor to advise you that this bank has on deposit U. S. government moneys, subject, however, *only* to the order and control of the secretary of the treasury.

Having no authority from that office to appropriate any of the government funds for any purpose whatever, I have ordered to him your communication with a request that he will favor me with an early reply.

Permit me to add that your communication to me has been laid before the directors of this institution, who have instructed me to loan to the executive of the state of Ohio such amount of funds as the present emergency requires, to defray the expenses of the troops now mustering and enrolling themselves under the requisition of the president of the United States for volunteer troops from this state.

I am, very respectfully,

Your obedient servant,

His Excellency,

M. BARTLEY,

Governor of Ohio.

D. W. DESHLER,

Cashier.

## TENNESSEE.

UNION BANK OF TENNESSEE.—The Directors of the Union Bank at Nashville, have unanimously adopted a resolution, tendering to the governor of the state a loan of *one hundred thousand dollars*, for the use of the volunteers who may be ordered to the "seat of war."

## NEW ORLEANS.

We learn that of the loan of \$ 200,000, authorized by act of the legislature, to aid the volunteers for Texas, but \$ 150,000 will be required. This amount has already been taken as follows :

|                  |   |   |   |   |   |   |           |
|------------------|---|---|---|---|---|---|-----------|
| Canal Bank,      | - | - | - | - | - | - | \$ 50,000 |
| Mechanics' Bank, | - | - | - | - | - | - | 50,000    |
| City Bank,       | - | - | - | - | - | - | 50,000    |

**THE ACT OF WAR.**—We understand that, by yesterday's mail, General Gaines received full authority to act conformably to the changed aspect of our foreign relations as indicated by the recent act of Congress, and the President's Proclamation declaring that war exists between the United States and the Mexican Republic.—*N. O. Tropic, May 23.*

## NEW BANKS.

**EXECUTIVE OFFICE, Columbus, May 12, 1846.**

**PROCLAMATION.**—Farmers' Bank of Salem.—In pursuance of an act of the General Assembly of the state of Ohio, passed February 24th, 1845, to incorporate the State Bank of Ohio, and other banking companies, I, M. Bartley, governor of the state of Ohio, being satisfied that the law has in all respects been complied with by the branch of the state bank, called the *Farmers' Bank of Salem*, located in Salem, in the county of Columbiana, and state of Ohio, do hereby make known that said bank having complied with all the preliminary requisitions of the law, is now authorized to commence and carry on the business of banking. **M. BARTLEY.**

**EXECUTIVE OFFICE, Columbus, May 12, 1846.**

**SANDUSKY CITY BANK.**—In pursuance of an act of the General Assembly of the state of Ohio, passed February 24th, 1845, to incorporate the State Bank of Ohio, and other banking companies, I, M. Bartley, governor of the state of Ohio, being satisfied that the law has in all respects been complied with by the Independent Bank called the *Sandusky City Bank*, located in Sandusky city, in the county of Erie, and state of Ohio, do hereby make known that the said bank, having complied with all the preliminary requisitions of the law, is now authorized to commence and carry on the business of banking. **M. BARTLEY.**

## HAVRE DE GRACE BANK—HAVRE DE GRACE, Md.

Notice is hereby given, that books for the subscription of stock in the Havre de Grace Bank, will be opened at the United States Hotel, in the town of Havre de Grace, on Monday, the 6th day of July next, at from 10 o'clock, A. M., until 5, P. M. of that day, and (if necessary) be kept open from day to day between the same hours, until subscriptions for the whole amount of stock in said bank shall be completed. By order of the commissioners,  
**W. L. NICHOLL, Secretary.**

*Havre de Grace, June 1, 1846.*

## BANK OF ENGLAND.

APRIL, 1845.

*Governor*—John Benjamin Heath, Esq.*Deputy Governor*—William R. Robinson, Esq.

*Directors*—Arthur E. Campbell, Esq.; William Cotton, Esq.; Bonamy Dobree, Esq.; Charles Pascoe Grenfell, Esq.; Thomas Hankey, jun., Esq.; John G. Hubbard, Esq.; William Little, Esq.; James Malcomson, Esq.; Humphrey St. John Mildmay, Esq.; James Morris, Esq.; Sheffield Neave, Esq.; George Warde Norman, Esq.; John H. Palmer, Esq.; James Pattison, Esq.; Sir J. H. Pelly, Bart.; Christopher Pearse, Esq.; H. J. Prescott, Esq.; David Powell, Esq.; Sir John Rae Reid, Bart.; T. C. Smith, Esq.; William Thompson, Esq. and Alderman; Thomas Tooke, jun., Esq.; Thomas M. Weguelin, Esq.; Francis Wilson, Esq. (*Elected April, 1846.*)

*Secretary*—John Knight, Esq.*Deputy Secretary*—John Bentley, Esq. *Assistant*—James Stewart, Esq.*Secretary to Committee of Treasury*—Marmaduke Blake Sampson, Esq.*Clerk in Secretary's Office*—Edwin Welsh, Esq.*Chief Accountant*—William Smee, Esq.—*Deputy*, George Earle Gray, Esq.—*Assistant*, John Padmore Noble.

## ACCOUNTANT'S OFFICE.

*Chief Clerks*—William James Jacob, Henry Williams Challis.—*Accountant's Discount Chief Clerks*, John Watson, Micah Corder.—*Accountant's Drawing Office Chief Clerks*, John Search, Thomas Escreet.

STOCK OFFICES.—*Chief Clerks.**Bank Stock Chief Clerks*, John Cooper, William Bentley.*Reduced 3 per cents. &c., Transfer Office*, Edward Close Wilkinson, and James Winn.*Consols, Transfer Office*, William Cuell, and William Jerks.*New 3½ per cents., Transfer Office*, Richard Frederick Clarke, and Thomas Ingall.*Consols, and Reduced Dividend Office*, Joseph Newton.*New 3½ per cents., Dividend Office*, William Jones.*Register Office*, John Edwards.—*Power of Attorney Office*, John Skelton.*Chancery and Exchequer*, John Vaughan.—*Check Office*, Henry C. Long.*Storekeeper*, Samuel Harrison.—*Deputy*, John Ashmore.*Chief Cashier*, Matthew Marshall, Esq.*First Assistant*, Joseph Ravenscroft Elsey, Esq.*Second Assistant*, Thomas Bross, Esq.

*Cashiers*, James Ballard, Thomas Clayton Turner, William Huges, John Butler, Nathaniel Stock, William Taylor, James Vautin, John Vanderpant, Thomas Donald, Frank Twiss, William Popham Gattie, Francis Bocquet, William Paskin, Zechariah Uwins, Robert Bocquet, John Tilbury, Thomas Roberts, Henry Bock, Joseph Stennet, John Conder, Daniel Champney, Ambrose Nicols, John Williams, John Hawkes, John Luson, Josiah Field, Thomas Slater, William Richter, John Wood Deane.

*Bullion Office*, William Debonaire Haggard.  
*First In Teller*, John Price.—*First Out Teller*, Edward John Fenemore.  
*First Inspector*, Stephen Catterson.—*Post Bill Office*, Edward Robson.  
*Cashier's Issue Department*, William Stigman.  
*Dividend Warrant Pay Office*, James Lawson.  
*Drawing Office for Private Accounts*, Edward Bryant.  
*Drawing Office for Public Accounts*, Thomas Hodgkinson.  
*Discount Office*, John Green Else y.  
*Branch Banks' Office*, William Banks, and Richard Andrew Marsden.  
*Cash Book Office*, David Hyett.—*General Cash Book Office*, Sam'l Parish.  
*Solicitors*, Messrs. James and Charles Freshfield.  
*Standing Counsel*, Sir Fitzroy Kelly.  
*Architect and Surveyor*, C. R. Cockerell, Esq.

## GOVERNMENT DEPOSITS.

JUNE 1, 1846.

Amount subject to the draft of the Treasurer of the United States, with the amount of collateral security furnished by each institution. (The list of collateral security is from a statement published by the treasury department during the present session of congress.)

|                                            |                     |                     |
|--------------------------------------------|---------------------|---------------------|
| Bank of America, New York,.....            | \$ 460,000          | \$ 1,017,383        |
| Bank of State of New York, New York,.....  | 525,000             | 707,400             |
| American Exchange Bank, do. ....           | 200,000             | 274,798             |
| Bank of Commerce, do. ....                 | 500,000             | 975,587             |
| Mechanics' Bank, do. ....                  | 313,000             | 670,205             |
| Merchants' Bank, do. ....                  | 400,000             | 864,091             |
| North River Bank, do. ....                 | 175,000             | 446,237             |
| <b>Total, City of New York,.....</b>       | <b>\$ 2,573,000</b> | <b>\$ 4,955,696</b> |
| Albany City Bank,.....                     | 173,540             | 165,255             |
| Commercial Bank, Albany,.....              | 205,000             | 195,000             |
| Mechanics and Farmers' Bank, Albany,.....  | 78,100              | 163,681             |
| Brooklyn Bank, Brooklyn,.....              | 25,000              | 64,000              |
| Oliver Lee & Co's Bank, Buffalo,.....      | 50,000              | 51,710              |
| Canal Bank, Albany,.....                   |                     | 100,000             |
| <b>Total, State of New York,.....</b>      | <b>\$ 3,104,640</b> | <b>\$ 5,695,342</b> |
| Merchants' Bank, Boston,.....              | 550,000             | 1,302,737           |
| Philadelphia Bank, Philadelphia,.....      | 150,000             | 397,603             |
| Bank of Commerce, do. ....                 | 150,000             | 352,537             |
| Exchange Bank, Pittsburgh,.....            | 150,000             | 181,214             |
| Bank of Erie, Erie,.....                   |                     | 28,538              |
| Bank of Middletown, Middletown,.....       | 25,000              | 45,526              |
| Chesapeake Bank, Baltimore,.....           | 130,750             | 305,381             |
| Corcoran & Riggs, Washington,...           | 408,500             | 507,500             |
| Bank of Potomac, Alexandria,.....          | 40,000              | 8,146               |
| Farmers' Bank of Virginia, Richmond,.....  | 58,500              | 57,140              |
| Bank of Virginia, do. ....                 | 52,500              | 102,377             |
| South Western R. R. Bank, Charleston,..... | 96,555              | 143,898             |

*Prices of Foreign Stocks.*

63

|                                               |         |         |
|-----------------------------------------------|---------|---------|
| Planters' Bank, Savannah,.....                | 60,000  | 64,498  |
| Bank of Mobile, Mobile,.....                  | 55,400  | 150,546 |
| Canal and Banking Co., N. Orleans,.....       | 100,000 | 12,456  |
| Life and Trust Company, Cincinnati,.....      | 209,000 | 211,260 |
| Firemen's Insurance Co., Cleveland,.....      | 30,000  | 28,221  |
| Marine and Fire Ins. Co., Milwaukee,....      | 50,000  | 147,675 |
| Michigan Ins. Co. Detroit,.....               | 47,000  | 83,633  |
| Mechanics and Traders' Bank, Portsmouth,..... | 5,000   | 7,325   |
| Arcade Bank, Providence,.....                 | 39,783  | 32,792  |
| Farmers and M. Bank, Hartford,.....           | 35,000  | 31,698  |
| Union Bank of Tennessee,.....                 | 61,000  | 37,961  |

Total, Collateral Security,..... \$ 5,608,628

|                                            |         |
|--------------------------------------------|---------|
| Bank of Burlington, Vermont,.....          | 6,665   |
| State Bank, at Morris, N. J.,.....         | 45,000  |
| Bank of Washington, Washington,.....       | 10,780  |
| Bank of Metropolis, do. ....               | 32,999  |
| Patriotic Bank, do. ....                   | 14,760  |
| Exchange Bank Va., Norfolk,.....           | 83,521  |
| Bank of Louisiana, New Orleans,.....       | 20      |
| Louisville Savings Institution,.....       | 127,830 |
| Branch Bank of Cape Fear, Washington,..... | 13,151  |
| Clinton Bank, Columbus, .....              | 94,145  |
| Bank of Missouri, St. Louis,.....          | 367,840 |
| Bank of Mobile, (Alabama notes,).....      | 5,850   |
| Mint and three Branch Mints,.....          | 870,000 |

Total amount, subject to draft of the Treasurer of the U. States, \$ 11,608,064

PRICES OF FOREIGN STOCKS.

APRIL 28TH, 1846—AT LONDON.

|                                         |     |                                     |      |
|-----------------------------------------|-----|-------------------------------------|------|
| Belgian Bonds, 4½ per cent. . . . .     | 99  | Ditto, Converted, . . . . .         | 57½  |
| Brazilian Bonds, 5 per cent. . . . .    | 82  | Russian Bonds, 1822, 5 per cent. in |      |
| Ditto New, 1843, . . . . .              | 80  | pound sterling, . . . . .           | 110½ |
| Buenos Ayres Bonds, 6 per cent. . . . . | 38  | Spanish Bonds 5 per cent. div. from |      |
| Chilian Bonds, 6 per cent. . . . .      | 97  | Nov. 184- . . . . .                 | 25½  |
| Columbian Bonds, 6 per cent. . . . .    | 17  | Ditto, Passive Bonds, . . . . .     | 5½   |
| Danish 3 per cent. . . . .              | 87½ | Ditto, Deferred, . . . . .          | 16½  |
| 5 per c. Mex. 1837 ex. over due coup    |     | Ditto, 3 per cent. Spanish Bonds, . | 36½  |
| and deb. . . . .                        | 31½ | (Dividends on the above payable in  |      |
| Ditto, Deferred Stock, 5 per cent. .    | 16½ | London.)                            |      |
| Peruvian Bonds, 6 per cent. . . . .     | 35  | Dutch 2½ per cent. . . . .          | 59½  |
| Portuguese Bonds, 5 per cent. . . . .   | 58  | Ditto, 4 per cent. loan, . . . . .  | 92½  |

IRISH STOCKS.

APRIL 25, 1846.

|                                |      |                                  |     |
|--------------------------------|------|----------------------------------|-----|
| 3 per cent. Consols, . . . . . | 95½  | Grand Debentures, 4 per cent. .  | 57  |
| 3½ per cent. Stock, . . . . .  | 96½  | 4 per cent. City Debentures, . . | 85½ |
| Bank Stock, . . . . .          | 204½ |                                  |     |

FRENCH FUNDS.

APRIL 25, 1846.

|                                 |        |                                |        |
|---------------------------------|--------|--------------------------------|--------|
| 5 per cents—divs. due March and | f. c.  | 3 per cts.—divs. June and Dec. | f. c.  |
| Sept. . . . .                   | 120 5  | Bank of France—divs. Jan. and  | 83 55  |
| 4½ per cents. . . . .           | 112 40 | July, . . . . .                | 3415 — |
| 4 per cents. . . . .            | 106 —  |                                |        |

THE  
BANKERS' MAGAZINE  
AND  
State Financial Register.  
JULY, 1846.

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THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register.

VOL. I.]

AUGUST, 1846.

[NO. 2.]

SUFFOLK BANK SYSTEM.

THE voluntary system adopted by the banks of New England, for the redemption of their circulation, at the counter of the Suffolk Bank at Boston, has been for several years in operation, and has been found to work well for all parties—for the country banks, for the people, and for the metropolitan institutions. There is, we think, no system of redemption in any part of the world more complete or more secure, for the bill-holders. A bank there is known to be insolvent, not by the refusal at its own counter to redeem its paper, but by the refusal of the Suffolk Bank to receive it on deposit.

There are now two hundred and forty-three banks in the interior of New England, all of which (with perhaps four or five exceptions) provide a sufficient deposit of specie at Boston for the redemption of their paper. Hence the latter is receivable upon a par with Boston bank bills, and has the same value (or rate of discount) at a distance as that of Boston. The result is, a uniform circulation, known to and by every body, not subject to those variable and uncertain values which we find attached to country paper in other cities; an instance of which (and one that could be remedied) we may mention, that of New York state country paper in Wall street. Such is the variety in the issues of the New York country banks, (127 in number,) and the different rates of discount even on the paper of one bank, that the community is never posted up as to their value, and daily frauds are committed that might be obviated.

The New England system has this decided advantage, the country banks instead of being burdened with, and holding at risk in their own vaults, a large accumulation of coin, place their specie funds at the point where the bills mostly concentrate. These last do not return so much to their own places of emission, but are carried where they are wanted to discharge debts. Besides the saving made from having so little idle capital in the shape of

specie, the banks have greater security in having so little cash in their vaults; safe, however, in their holding large balances among the banks of Boston upon which they can draw whenever occasions require. To show the extent of this combination it is only necessary to refer the reader to the pages of the Bankers' Weekly Circular, where will be found the only correct and authentic exhibit of the banks of New England as well as the other states. The following summary is from the latest official returns.

|                           | Banks. | Capital.      | Circulation.  | Specie.      |
|---------------------------|--------|---------------|---------------|--------------|
| Maine,                    | 35     | 3,009,000     | 2,240,000     | 219,000      |
| New Hampshire,            | 17     | 1,655,000     | 1,125,000     | 136,000      |
| Vermont,                  | 17     | 1,175,000     | 1,743,000     | 92,000       |
| Massachusetts, (interior) | 81     | 12,940,000    | 8,418,000     | 583,000      |
| Rhode Island,             | 61     | 10,548,000    | 2,907,000     | 280,000      |
| Connecticut,              | 32     | 8,475,000     | 4,565,000     | 481,000      |
| Totals,                   | 243    | \$ 37,802,000 | \$ 20,998,000 | \$ 1,791,000 |

It is mutually agreed that the circulation above stated shall be received on deposit by the Boston banks; but such is the confidence entertained by the community in the country institutions that the whole amount of specie in the vaults of the 24 Boston banks, in November last, for their own protection, and for the protection of their country correspondents was only \$ 2,773,000 against an aggregate circulation in town and country of \$ 26,920,000.

Here is a commentary upon the attempt by the general government to fasten a specie currency upon the debtors of the government. The aggregate of specie in the six New England states, amounting to \$ 8,694,000 is the basis of *daily* money operations amounting to millions of dollars. The large daily cash transactions in the commercial, manufacturing and other portions of New England are carried on where probably not over one hundred thousand dollars in specie of the banks changes hands per day.

The following remarks from an English paper will further illustrate our meaning :

**SPECIE AS A CIRCULATING MEDIUM.**—Gold and silver coin simply constitute the *petty cash* of the country, and the idea of carrying on the foreign trade exclusively with it, would be as absurd as if a merchant were to attempt to carry on his business with his petty cash only.

It has been given in evidence before a committee of the House of Commons, that no less a sum than one thousand millions annually is exchanged by 28 only of the principal London bankers, at the clearing room, and all the gold and silver wanted to effect this enormous exchange, is about 20*l.* a day. Here it is petty cash indeed!

As it is with the individual, so it is with the nation, which is simply a number of individuals; and that the coin of the country is merely its petty cash, will be palpable, when we learn from Mr. Jacob, (who wrote on the precious metals,) that the whole amount of coin is only thirty millions, to carry on trading transactions that must amount to many thousand millions.



How many thousand millions it would be impossible to say, but a guess may be hazarded.

We have it in evidence, that 28 banks only exchange bills and checks representing sales (independent of their transactions over the counter, and transfers from one account to another, when two parties bank at the same house,) to the amount annually of 1,000,000,000*l*. Now, take into account the transactions of these 28 bankers over the counter; those of 52 other bankers in London; those of the Bank of England (for she has a clearing room of her own;) those of the Stock Exchange and Share Market; the operations of all the shopkeepers and merchants; the daily expenditure of two millions of individuals for food; and you will not have less in London alone annually, than a further amount of exchanges of 2,000,000,000*l*. Take the rest of the empire at a guess, (and a very rough one it must be, for want of data,) to have the same amount of transactions as the metropolis, 3,000,000,000*l*. Total, 6,000,000,000*l*.

**THE CLEARING HOUSE OF LONDON.**—From the appendix to the second report on banks of issue, (1841,) we find that during 1839, twenty-nine only of the London bankers, cleared aggregate demands to the amount of 954,401,600*l*, and that the bank notes employed in these transactions amounted to 66,275,600*l*. The aggregate demands varied from two to six millions daily. These facts not only exhibit the “vast concerns” of commerce, but they show how essentially commerce is carried on by the barter of *goods*, and not by cash payments. To a far greater extent does the barter of goods prevail by means of bills of exchange, &c. in international traffic, wherein money scarcely enters at all.

These observations apply with equal force to the operations and exchanges of Wall and State streets. The large amounts of money which pass from individuals to banks, and from the banks to each other could only be made through drafts and checks. The daily exchanges of the twelve Wall street banks of New York, or of the twenty-one banks of State street, amounting to millions per day, can be effected without the transfer of one box of specie. So it is with the immense customs payable at London and New York, in the former city amounting to about one million sterling per month, and in the latter to twenty millions of dollars per annum. These payments to the government officers can only be made through the medium of checks and bills, and without the intervention of specie, which is appropriately termed the *petty cash* of the country.

## LEISURE HOURS.

We rarely find in the same individual, strict habits of business, a close adherence to professional duties or the requisitions of mere business, whether of the bar, the pulpit, the office, or the bank counter, combined with a love for, or a proficiency in, the arts or sciences.

The pursuits of the arts or the sciences, or the mere accomplishments of the world, are, as accomplishments, equally deserving the attention of the business man, as well as of him who pursues them professionally. There

is no reason why the statesman, the jurist, the physician, the theologian, the merchant, or the *Banker*, or many in other spheres of life, should not diverge occasionally from their legitimate and immediate circle of duties, and devote an hour or two a day, as a relaxation or otherwise, to the more elegant and more refined pursuits of music, painting or literature, of chemistry, botany or mineralogy; of arboriculture, floriculture or horticulture. We might mention indeed many, very many studies and employments, which, while they serve to enlarge the powers of the mind, the capacity of enjoyment, and add to the usefulness of the individual himself, they serve also as a relaxation to both the body and the mind by relieving the monotony of every day labors.

A greater good is thereby accomplished than that simply derived by the individual himself. The profession or knowledge of such accomplishments, or a proficiency in any one or more of the arts or sciences, enables him effectually, at will, to promote the same good or disseminate the same knowledge among his children or his friends: to diffuse a taste for, and a love for similar pursuits among the numerous circles and semi-circles of society. Much of this can be done by him either as an individual or as a member of a society of arts; and it is through the means of associations, combinations, clubs, &c. that so much has been done in England, France and our own country towards the diffusion of a general taste for music, painting, and other pursuits to which we have alluded.

This present article is, however, addressed more particularly to the *banker*, the money operator, and the broker, whose daily duties generally terminate at 3 or 4 o'clock; giving them ample time, day after day to devote to some one of those elegant and charming pursuits, a knowledge of which adds so largely to a keen enjoyment of the world. It is here that the banker has a most decided advantage over the lawyer, the physician and the merchant. His duties terminate at a fixed hour, while theirs are controlled in some degree (not so much as they imagine) by their clients, their patients or their dealers.

The banker closes his cash book, letters, &c. at three o'clock and can, if inclination dictate, then close his eyes and his mind's eye to all their contents for the remainder of the day. It is the subsequent hour or hours, which can be appropriately and profitably devoted to the pen, the pencil or the spade. If in a crowded city, the rail road train can in 10 or 15 minutes convey him to a secluded spot at a distance, where he can, in quiet, cultivate either the fields of nature or the fields of literature. Or, in the midst of the city, with hundreds of thousands around him, he can retire to the drawing academy, the school of design, the lecture room of the anatomist, or to the saloon of the musician. These, and many others are within his reach, will afford variety and relaxation to his mind, will furnish a pleasant recreation and pastime for hours which might otherwise be trifled away and will give him more nerve for the scenes of the following day.

That the pursuits of the pen, the pencil or the flute are not un congenial or inaccessible to one whose hours are mainly occupied at the counter, we may see in repeated instances.

We have seen the walls of the "national academy" and of the "art union" graced with the works of one who now fills the post of cashier of one of our prominent institutions. Not merely *graced* either, but his *by-play* selected as the prize for the engraver, and two thousand copies distributed among as many lovers of the fine arts.

In another city we see the post of cashier filled by one who coterminously figures as the author of a poem, delivered before the collected thousands of the wise and the learned : and *curiosity* echoes "where is he."

Again we see in one or more instances the presiding officer of a bank, after having gone through the notes of the day, presiding at a glee club or soiree where a better circulation of harmonious notes is kept up than the engraved notes of the chartered institution. The leader, who has perhaps controlled thousands through the day, takes the *bow* at night and adds life and soul where silence was before.

We have seen too, one who, while he held the reins of the bank with one hand, could hold the pen of the financier and statesman with the other, enlightening the country with pages of history and finance, which none have attempted to controvert. Again, another presiding at the laborious sittings of the *board*, during the early hours of the day, and giving force to their decisions, may be found delving in the ground towards sunset, not for gold or lucre, but improving the soil, pruning the peach or plum, and competing at exhibitions with the gardener and the day-laborer for the prize offered by the society of horticulture.

Even the late Mr. Biddle, occupied closely by political strife on one side, and commercial revulsions on the other, could find leisure hours to apply to his own retreat, cultivate the vine, to add the labors of the hoe and the spade upon works where the fluctuations of change and the javelins of his enemies could not penetrate. We can look even further and find that the author of "Fanny" and the author of the "Pleasures of Memory" both in years gone by have been daily occupants of the counting room. The author of the "Banks of Ayr" at one moment of the day engaged as an officer of excise and at another hour rusticated on the green sward. Even the "Wizard of the North" issuing sheriff's writs in the morning, and in the evening of the *same* day revising the sheets of the "Mintrelsy of the Scottish Border."

In fact, the fixed hours and leisure of an officer of a bank enable him to appropriate a liberal portion of his time to those pursuits, the cultivation of which would relieve his mind essentially, and add much to his enjoyment : pursuits which *humanize* the soul of every man who has a soul for the better things of this world, and who avails himself of his privilege to gain them. He may have a fund of thousands to draw upon to satisfy mere physical

wants; but if he have not a social and intellectual fund, a better fund to draw upon, he may exist but he does not *live*. His bank balances may wither in a day, but there are balances and mines which furnish perpetual feast for reason and a perpetual flow for the soul: not affected either by the fluctuations of change, revulsions of trade, or the failures of friends.

A bank officer or a merchant, and we find thousands of them, who pins his mind down to his ledger, and keeps it there; who never goes beyond his account-books for thought or action, is a *mere machine*. His soul, which was given to him to enjoy rational things, is callous to those pure and elegant sources of enjoyment, which make a man capable of cultivating the "ten talents" which benevolent nature bestowed on him.

## BANK STATISTICS.

### KENTUCKY.

NORTHERN BANK AND BRANCHES—JUNE 30, 1846.

#### *Means.*

|                                                    |                 |                 |
|----------------------------------------------------|-----------------|-----------------|
| Bills discounted, . . . . .                        | \$ 1,714,956 25 |                 |
| Bills of exchange, . . . . .                       | 1,604,912 02    |                 |
| Notes and bills in suit, . . . . .                 | 126,382 29      |                 |
|                                                    |                 | \$ 3,446,250 56 |
| Bonds of the state of Kentucky 5 per cent. . . . . | 5,000           |                 |
| of the city of Lexington 6 " " . . . . .           | 35,000          |                 |
|                                                    |                 | 40,000          |
| Due from banks, . . . . .                          |                 | 854,098 04      |
| Real estate, including banking houses, . . . . .   |                 | 142,581 99      |
| Protest account, . . . . .                         |                 | 97 96           |
| Cash on hand—in gold and silver, . . . . .         | 916,904 82      |                 |
| In notes of other banks, . . . . .                 | 450,579 00      | 1,367,483 82    |
|                                                    |                 | \$ 5,850,512 37 |

#### *Liabilities.*

|                                          |                 |                 |
|------------------------------------------|-----------------|-----------------|
| Capital stock, . . . . .                 | \$ 2,237,600 00 |                 |
| Notes in circulation, . . . . .          | 2,153,429 00    |                 |
| Due to banks, . . . . .                  | 529,285 56      |                 |
| Bills payable, . . . . .                 | 12,300 22       |                 |
| Deferred interest, . . . . .             | 7,754 47        |                 |
| Due to post-office department, . . . . . | 2,151 84        |                 |
| Due to individual depositors, . . . . .  | 638,204 40      |                 |
| Unclaimed dividends, . . . . .           | 7,623 58        |                 |
| Due to state of Kentucky, . . . . .      | 2,438 00        |                 |
| Contingent fund, . . . . .               | 45,000 00       |                 |
| Profit and loss, . . . . .               | 214,725 30      | 259,725 30      |
|                                          |                 | \$ 5,850,512 37 |

|                                                         |               |
|---------------------------------------------------------|---------------|
| Profit and loss and contingent fund as above, . . . . . | \$ 259,725 30 |
| Deduct dividend of 4 per cent., July, 1846, . . . . .   | 89,504 00     |

Balance of profit and loss account and contingent fund, July 6, 1846, \$170,221 30

M. T. SCOTT, *Cashier.*

*Northern Bank of Kentucky and Branches—1846.*

|                | Location.   | President.        | Cashier.             | Capital. |
|----------------|-------------|-------------------|----------------------|----------|
| Northern Bank, | Lexington,  | John Tilford,     | Matthew T. Scott,    | 867,600  |
| Do. Branch     | Covington,  | James M. Preston, | Philip S. Bush,      | 250,000  |
| Do. do.        | Louisville, | Chapman Coleman,  | Wm. Richardson,      | 600,000  |
| Do. do.        | Paris,      | John B. Raine,    | Thomas Y. Brent,     | 370,000  |
| Do. do.        | Richmond,   | Wm. McClanahan,   | Edw. L. Shackelford, | 150,000  |

Total capital at Northern Bank and Branches \$ 2,237,600

## Comparative condition of the Northern Bank and Branches, 1844, '45, '46.

|                             | Dec'r, 1844. | Dec'r, 1845. | June, 1846. |
|-----------------------------|--------------|--------------|-------------|
| Circulation, . . . . .      | 1,935,000    | 2,453,000    | 2,153,000   |
| Loans, . . . . .            | 3,190,000    | 3,856,900    | 3,319,000   |
| Specie, . . . . .           | 884,000      | 909,000      | 916,000     |
| Total Liabilities . . . . . | 5,806,000    | 6,334,000    | 5,850,000   |

*Banks of the West and the East.*

|                               | Capital.             | Circulation.         | Specie.             |
|-------------------------------|----------------------|----------------------|---------------------|
| Rhode Island, 61 Banks,       | \$ 10,548,000        | \$ 2,967,000         | \$ 230,000          |
| Maine, 35 " "                 | 3,009,000            | 2,240,000            | 219,000             |
| New York, (interior,) 127 do. | 19,039,000           | 14,662,000           | 898,000             |
| New Jersey, 26 do.            | 3,672,000            | 2,394,000            | 594,000             |
|                               | <u>\$ 36,268,000</u> | <u>\$ 22,263,000</u> | <u>\$ 1,991,000</u> |

|                     |              |              |              |
|---------------------|--------------|--------------|--------------|
| Kentucky, . . . . . | \$ 7,019,700 | \$ 6,064,000 | \$ 2,536,000 |
| Indiana, . . . . .  | 2,087,000    | 3,527,000    | 1,080,000    |
| Ohio, . . . . .     | 6,511,000    | 4,505,000    | 1,374,000    |

The Northern Bank of Kentucky, (with four branches,) having a circulation of \$ 2,153,000, has specie on hand amounting to \$ 916,000, being a larger amount of specie than is held by the 127 country banks of New York, with a circulation of above fourteen millions of dollars.

## BANK OF KENTUCKY AND BRANCHES—JULY 1, 1845.

*Resources.*

|                                                         |                        |  |
|---------------------------------------------------------|------------------------|--|
| Notes discounted, . . . . .                             | \$ 2,896,199 93        |  |
| Bills of Exchange, . . . . .                            | 1,376,391 58           |  |
|                                                         | <u>\$ 4,272,591 51</u> |  |
| Suspended debt, in suit, . . . . .                      | 145,485 33             |  |
| " Bank balances and stocks, . . . . .                   | 8,642 19               |  |
| Bonds state of Kentucky, for stock in Northern Bank,    |                        |  |
| 5 per cent. . . . .                                     | 250,000 00             |  |
| Bonds city of Louisville, 6 per cent. . . . .           | 200,000 00             |  |
| Real estate taken for debt, . . . . .                   | 149,429 93             |  |
|                                                         | <u>753,555 45</u>      |  |
| Commissioners of sinking fund, . . . . .                | 2,775 00               |  |
| Real estate for banking-houses, . . . . .               | 87,533 84              |  |
| Deficiency—for balance of over issue of stock . . . . . | 383,400 00             |  |
| Due from banks, . . . . .                               | 688,454 83             |  |
| Gold and silver on hand, . . . . .                      | 1,219,551 79           |  |
| Notes of other banks, . . . . .                         | 377,231 00             |  |
|                                                         | <u>\$ 7,785,093 42</u> |  |

*Liabilities.*

|                                                                      |                      |
|----------------------------------------------------------------------|----------------------|
| Capital stock, (original,)                                           | \$ 3,700,000 00      |
| Stock over-issued by Schuylkill Bank, \$ 1,318,500 00                |                      |
| Less, amount purchased by this bank, 935,100 00—383,400 00           |                      |
|                                                                      | \$ 4,083,400 00      |
| Contingent fund reserved by charter, . . . . .                       | 100,000 00           |
| Fund to cover loss on banking house, . . . . .                       | 40,670 84            |
| Fund to cover loss on bad debts, &c. . . . .                         | 47,808 03—188,478 87 |
| Dividends unpaid, . . . . .                                          | 6,994 86             |
| Stock Fund—to purchase over-issue, . . . . .                         | 78,674 71            |
| Dividend No. 17, for July, 1846—2½ per cent. . . . .                 | 102,085 00           |
| Due individual depositors, . . . . .                                 | 603,366 93           |
| Due to other banks, . . . . .                                        | 477,694 43           |
| Notes in circulation, . . . . .                                      | 2,229,378 00         |
| Due state treasury, . . . . .                                        | 15,020 62            |
|                                                                      | <hr/>                |
|                                                                      | \$ 7,785,093 42      |
| Nett profits for the last six months, . . . . .                      | 144,051 91           |
| Dividend for July, 1846—2½ per cent. . . . .                         | 102,085 00           |
|                                                                      | <hr/>                |
| Balance transferred to fund to purchase stock over-issued, . . . . . | \$ 41,966 91         |

VIRGIL McKNIGHT, *President.*GEO. C. GWATHMEY, *Cashier.*

James Trabue, Thomas Anderson, Levin L. Shreve, Thomas Smith, }  
 D. S. Benedict, U. E. Ewing, P. R. Gray, Curran Pope, } *Directors.*

## BANKS OF OHIO—MAY 1, 1846.

| Resources.                                          | 7 Independent B'ks. | 16 Branches State B'ks. | 8 Old B'ks.   |
|-----------------------------------------------------|---------------------|-------------------------|---------------|
| Notes and bills discounted,                         | 968,896             | 2,423,779               | 4,639,219     |
| Specie on hand,                                     | 159,669             | 618,049                 | 705,552       |
| Notes of other banks,                               | 146,474             | 374,577                 | 466,203       |
| Due from banks,                                     | 56,484              | 107,366                 | 435,676       |
| Eastern Deposits,                                   | 96,723              | 357,280                 | 462,023       |
| Bonds deposited with the state as }<br>collaterals, | 565,118             | 207,588                 | .....         |
| Other resources,                                    | 134,259             | 16,694                  | 937,323       |
|                                                     | <hr/>               | <hr/>                   | <hr/>         |
|                                                     | \$ 2,127,623        | \$ 4,105,333            | \$ 7,645,996  |
| <br><i>Liabilities.</i>                             |                     |                         |               |
| Capital stock, paid in,                             | 328,720             | 1,173,450               | 2,565,376     |
| Circulation,                                        | 499,100             | 1,822,435               | 2,463,760     |
| Due to banks,                                       | 79,488              | 89,884                  | 807,544       |
| Individual deposits,                                | 644,521             | 946,563                 | 972,852       |
| Contingent fund,                                    | 12,992              | 26,234                  | 256,687       |
| Bonds deposited with the state trea'r,              | 494,170             | .....                   | .....         |
| State taxes paid for six months,                    | 1,654               | 3,773                   | 7,374         |
| Other liabilities,                                  | 66,978              | 42,994                  | 572,403       |
|                                                     | <hr/>               | <hr/>                   | <hr/>         |
| Totals,                                             | \$ 2,127,623        | \$ 4,105,333            | \$ 7,645,996  |
| Seven Independent Banks, . . . . .                  | 2,127,623           |                         |               |
| Sixteen Branches of State Bank, . . . . .           |                     | 4,105,333               |               |
| Eight Old Banks, (charters not expired,) . . . . .  |                     |                         | 7,645,996     |
|                                                     |                     |                         | <hr/>         |
| Aggregate Resources or Liabilities,                 |                     |                         | \$ 13,878,952 |

## MAINE.

*An Abstract from the Returns of the Cashiers of the several incorporated Banks in Maine, as they existed on the Saturday preceding the first Monday of May, 1846. Prepared in conformity to the provisions of the Revised Statutes, chapter 77, section 59, and an Act of the Legislature, approved April 7, 1845.*

## Liabilities.

|                                                     |                        |
|-----------------------------------------------------|------------------------|
| Capital stock paid in, . . . . .                    | \$ 3,009,000 00        |
| Bills in circulation, . . . . .                     | 2,240,820 00           |
| Nett profits on hand, . . . . .                     | 117,222 50             |
| Balances due other banks, . . . . .                 | 93,708 88              |
| Cash deposited, &c. not bearing interest, . . . . . | 1,058,526 42           |
| Cash deposited bearing interest, . . . . .          | 199,120 84             |
| <b>Total amount due from the banks, . . . . .</b>   | <b>\$ 6,718,398 64</b> |

## Resources.

|                                                          |                        |
|----------------------------------------------------------|------------------------|
| Gold, silver, &c. in banks, . . . . .                    | 219,068 50             |
| Real estate, . . . . .                                   | 191,714 98             |
| Bills of Banks in this state, . . . . .                  | 76,319 00              |
| Bills of Banks elsewhere, . . . . .                      | 71,087 82              |
| Balances due from other banks, . . . . .                 | 769,095 12             |
| Due to the banks, excepting balances, . . . . .          | 5,391,113 22           |
| <b>Total amount of resources of the Banks, . . . . .</b> | <b>\$ 6,718,398 64</b> |

## Dividends, &amp;c.

|                                                                  |              |
|------------------------------------------------------------------|--------------|
| Amount of last semi-annual dividend, . . . . .                   | \$ 99,600 00 |
| Amount of reserved profits, . . . . .                            | 85,118 00    |
| Debts due and considered as doubtful, . . . . .                  | 4,656 87     |
| Amount of bills in circulation under five dollars, . . . . .     | 282,337 00   |
| Amount due from president and directors as principals, . . . . . | 217,738 63   |
| Amount due from president and directors as sureties, . . . . .   | 264,804 73   |
| Amount due from stockholders as principals, . . . . .            | 214,422 97   |

## CONNECTICUT.

*The following abstract will exhibit some of the items of the Banks of Connecticut, for the three periods of 1838—1842—and 1846:*

|                                  | 1838.      | 1842.      | 1846.      |
|----------------------------------|------------|------------|------------|
| Capital stock, . . . . .         | 8,754,467  | 8,876,317  | 8,475,630  |
| Circulation, . . . . .           | 1,920,552  | 2,555,638  | 4,565,947  |
| Specie, . . . . .                | 535,448    | 471,238    | 481,367    |
| Loans and discounts, . . . . .   | 9,769,286  | 10,683,413 | 13,258,587 |
| Aggregate liabilities, . . . . . | 12,302,631 | 13,465,052 | 15,892,685 |

The report of the Bank Commissioners of the state of Connecticut, for the year 1846, has been printed and a copy furnished to us. The report includes the condition of each bank, some in February, others in March, and others in April, 1846. It is singularly deficient in an abstract by which we could learn the *aggregate* circulation, deposits, bank balances, real estate, and other items of all the banks in the state. The abstract furnished, is not cast up, and to each reader is left the labor of ascertaining these items—a labor which could have been well obviated if the report had been properly prepared.

## RHODE ISLAND.

*Abstract from the Returns made to the General Assembly at the May Session, A. D. 1846, by the several Banks in the State of Rhode Island and Providence Plantations.*

| Liabilities.              |                  | Resources.                          |                  |
|---------------------------|------------------|-------------------------------------|------------------|
| Capital stock paid in,    | 10,548,690 50    | Debts due from directors,           | 712,614 23       |
| Bills in circulation,     | 2,907,490 96     | Debts due from stockholders,        | 563,387 60       |
| Deposits on interest,     | 269,948 12       | Debts due from all others,          | 12,846,970 53    |
| Deposits not on interest, | 1,078,913 88     | Specie actually in banks,           | 280,470 67       |
| Debts due from banks,     | 757,058 14       | Bills of other banks,               | 460,753 11       |
| Dividends unpaid,         | 26,005 72        | Deposits in other banks,            | 694,039 18       |
| Nett profits on hand,     | 510,144 48       | Stock in the banks,                 | 48,485 83        |
|                           |                  | St'k in other b'ks and other st'ks, | 202,048 92       |
|                           |                  | Real estate,                        | 259,704 80       |
|                           |                  | Furniture and other property,       | 29,776 93        |
|                           |                  |                                     |                  |
|                           | <hr/>            |                                     | <hr/>            |
|                           | \$ 16,098,251 80 |                                     | \$ 16,098,251 80 |

## Memoranda.

|                                                           |               |
|-----------------------------------------------------------|---------------|
| Increase of capital stock since last return,              | \$ 233,312 50 |
| Amount of suspended paper,                                | 169,917 58    |
| Reserved profits,                                         | 297,552 07    |
| Amount loaned on pledges of stock,                        | 352,276 04    |
| Debts due and not paid,                                   | 197,854 00    |
| Largest amount of indebtedness of any one person or firm, | 72,889 00     |

The proportion of specie to circulation, is 1 to \$ 10 $\frac{1}{2}$ ; specie to circulation and deposits, is 1 to \$ 15.

There are 61 banks in the state, with capital varying from \$ 21,330 to \$ 500,000, each. There are in the town of Providence, 22 banks with an aggregate capital of \$ 7,633,900, being a larger amount, for the population, than is held in any place in the United States.

## SOUTH CAROLINA.

*Bank of Georgetown, Georgetown, S. C.—June 8, 1846.*

## Liabilities.

|                          |               |
|--------------------------|---------------|
| Capital paid in.....     | \$ 200,000 00 |
| Circulation.....         | 322,786 00    |
| Individual deposits..... | 30,204 28     |
| Surplus fund.....        | 13,183 86     |
|                          | <hr/>         |
| Total.....               | \$ 566,174 14 |

## Assets.

|                                                             |               |
|-------------------------------------------------------------|---------------|
| Notes discounted.....                                       | \$ 200,129 46 |
| Suspended debt.....                                         | 10,983 17     |
| Exchange on New York and Charleston.....                    | 198,774 68    |
| Specie on hand and balances in New York and Charleston..... | 141,086 83    |
| Bonus and Bank fixtures.....                                | 5,200 00      |
| Real estate.....                                            | 5,000 00      |
| Stock, 200 shares this bank taken for debt.....             | 5,000 00      |
|                                                             | <hr/>         |
| Total.....                                                  | \$ 566,174 14 |

D. L. McKAY, Cashier.



The Bank of Georgetown was chartered in 1836, and commenced operations in 1837, with a capital of \$ 200,000 paid in full. By its charter the stockholders are liable for double the amount of stock, in case of failure of the institution. It has been managed since 1839 by the same officers who now have charge of it, and has uniformly divided seven per cent. per annum.

The Bank of Georgetown, the Bank of the State of Missouri, the Franklin Bank at Washington, Pennsylvania, are among the few banking institutions in this country which have not *at any period* suspended specie payments. There are several others which maintained specie payments during the severe struggles of 1837—1841, but we are not prepared at this time to furnish a list of the whole; a correct list will be prepared for a future No. of this Journal.

## COPPER TRADE OF GREAT BRITAIN.

THE growing importance of this manufacture, to the commercial and manufacturing interests of Great Britain, is duly appreciated in that country: but the subject has been almost entirely overlooked in the United States. Now that there are smelting companies in operation at Boston and Baltimore, it is hoped that capitalists will turn their attention to the article, with a view of deriving for the United States a portion of the trade, for which it enjoys advantages possessed by no other country in the world. Copper can be smelted at a cost of at least 25 per cent. less in this country, than in England, arising from differences in freights between Cuba and England and Cuba and United States. Saving of duty, time in transshipment, &c. all of which are worth a close examination.

We have prepared the annexed tables from recent English papers, and our readers can see at a glance, the aggregate value of the trade.

### *Imports of Copper.*

Quantities of copper ore imported into Great Britain for the year ending January 5, 1846:

|                                                   |              |
|---------------------------------------------------|--------------|
| Total copper ore imported, . . . . .              | 56,697 tons. |
| Unwrought in pigs, . . . . .                      | 104 “        |
| In bars, rods, or ingots, . . . . .               | 27 “         |
| Fit only for re-manufacture, . . . . .            | 58 “         |
| Plates and coins, . . . . .                       | 5 “          |
| Manufactured copper (valued at £ 3,762) . . . . . | 49½ “        |

The countries imported from, were as follows:

|                       |              |
|-----------------------|--------------|
| From Cuba, . . . . .  | 41,342 tons. |
| From Chili, . . . . . | 10,823 “     |

|                                     |              |
|-------------------------------------|--------------|
| From Peru and Bolivia, . . . . .    | 1,212 tons.  |
| From South Australia, . . . . .     | 1,109 "      |
| From America, . . . . .             | 701 "        |
| From British West Indies, . . . . . | 646 "        |
| From Italy, . . . . .               | 640 "        |
| Not enumerated, . . . . .           | 467 "        |
|                                     | <hr/>        |
|                                     | 56,940 tons. |
|                                     | <hr/>        |

The amount entered for home consumption was 56,118 tons, and the nett amount of duty paid thereon, £ 58,646, upon the annexed valuations or scale of duty, 21,519 tons, contained 15 per cent. or less, at £ 3 3, duty ; 9,054 tons, contained 15 to 20 per cent. £ 4 14 6 duty ; 24,576 tons, contained 20 per cent. and upward, £ 6 6 duty ; 970 tons, from British Colonies, £ 1 1 duty.

#### *Exports.*

The countries to which copper was exported during the same period, by Great Britain were as follows :

|                          |              |                                |           |
|--------------------------|--------------|--------------------------------|-----------|
| To France, . . . . .     | *6,250 tons. | To Holland, . . . . .          | 387 tons. |
| East Indies, . . . . .   | *4,722 "     | Brazils, . . . . .             | 354 "     |
| United States, . . . . . | *2,219 "     | British West Indies, . . . . . | 288 "     |
| Italy, . . . . .         | 879 "        | Other W. I. Islands, . . . . . | 224 "     |
| Belgium, . . . . .       | 696 "        | British N. America, . . . . .  | 244 "     |
| Germany, . . . . .       | 566 "        | Not enumerated, . . . . .      | 1,219 "   |

Total for the year ending January 5, 1846, . . . . . 18,039 "

Shipped from the following ports :

|                        |       |                          |     |
|------------------------|-------|--------------------------|-----|
| From London, . . . . . | 5,653 | From Llanelly, . . . . . | 467 |
| Swansea, . . . . .     | 6,030 | Bristol, . . . . .       | 242 |
| Liverpool, . . . . .   | 5,417 | Other ports, . . . . .   | 230 |

Baron Dupin, formerly minister of marine, observes in a late report upon the condition of the navy. "In copper there should always be four years consumption on hand, and France should make as large importations as England, from Cuba, Chili, &c. At present, France has no copper of her own, and imports annually only about 3,000,000 killogrames."

Such has been the rapid increase of the trade in England, that while the total imports of copper for one year to July, 1842, were less than 262 tons, they arose to 55,720 tons in 1844, of which 31,680 tons were from Cuba, and 19,000 tons from Chili. There are upwards of fifty mines in Cornwall, where mining has been increasing since the reign of William III. The earliest copper mines known in England were discovered in the year 1561, and the first copper coins of the kingdom were brought into use in 1609.

\* There is no reason why the United States should not possess a fair portion of this trade at the same prices. It is estimated that this country consumes about 2500 tons of copper per annum.

## GENERAL PRINCIPLES OF BANKING.

BY J. R. M'CULLOCH, ESQ.

1. *Utility of Banks. Private Banking Companies of London.*—The establishment of banks has contributed, in no ordinary degree, to give security and facility to all sorts of commercial transactions. They afford safe and convenient places of deposit for the money that would otherwise have to be kept, at a considerable risk, in private houses. They also prevent, in a great measure, the necessity of carrying money from place to place to make payments, and enable them to be made in the most convenient and least expensive manner. A merchant or tradesman in London, for example, who employs a banker, keeps but very little money in his own hands, making all his considerable payments by drafts or checks on his banker, and he also sends the various checks, bills, or drafts, payable to himself in London, to his bankers before they become due. By this means, he saves the trouble and inconvenience of counting sums of money, and avoids the losses he would otherwise be liable to, and would no doubt occasionally incur, from receiving coins or notes not genuine. Perhaps, however, the great advantage derived by the merchant or tradesman from the employment of a banker, consists in his relieving him from all trouble with respect to the presentation for payment of due bills and drafts. The moment these are transferred to the banker, they are at his risk; and if he either neglect to present them when due, or to have them properly noted in the event of their not being paid, he has to answer for the consequences.

“This circumstance alone, must cause an immense saving of expense to a mercantile house in the course of a year. Let us suppose that a merchant has only two bills due each day. These bills may be made payable in distant parts of the town, so that it may take a clerk half a day to present them; and in large mercantile establishments, it would take up the whole time of one or two clerks to present the due bills and the drafts. The salary of these clerks, is, therefore, saved by keeping an account at a banker's; besides the saving of expense, it is also reasonable to suppose that losses upon bills would sometimes occur from mistakes, or oversights, from miscalculation as to the time the bill would become due—from errors in marking it up—from forgetfulness to present it, or from presenting it at the wrong place. In these cases the endorsers and drawees are exonerated; and if the acceptor do not pay the bill, the amount is lost. In a banking-house, such mistakes occur sometimes, though more rarely; but when they do occur, the loss falls upon the banker, and not upon his customer.” *Gilbart's Practical Observations on Banking.*

It is on other grounds particularly desirable for a merchant or tradesman to have an account with a banking house. He can refer to his bankers as vouchers for his respectability; and in the event of his wishing to acquire any information with respect to the circumstances, or credit of any one with whom he is not acquainted, his bankers will render him all the assistance in their power. In this respect they have great facilities, it being the common practice amongst the bankers in London, and most other trading towns, to communicate information to each other as to the credit and solvency of their customers.

The Bank of England, and the private banking companies of London, as well as some of the English provincial banks, charge no commission on the payments made and received on account of those who deal with them. But

they allow no interest on the sums deposited in their hands ; and it is either stipulated or distinctly understood, that a person employing a banker, should, besides furnishing him with sufficient funds to pay his drafts, keep an *average balance* in the banker's hands, varying, of course, according to the amount of business done on his account ; that is, according to the number of his checks or drafts to be paid, and the number of drafts and bills to be received for him. The bankers then calculate, as well as they can, the probable amount of cash that it will be necessary for them to keep in their coffers to meet the ordinary demands of their customers, and employ the balance in discounting mercantile bills, in the purchase of government securities, or in some other sort of profitable adventure ; so that their profits result, in the case of their not issuing notes, from the difference between the various expenses attendant on the management of their establishments, and the profits derived from such part of the sums lodged in their hands as they can venture to employ in an advantageous way.

The directors of the Bank of England do not allow any individual to overdraw his account. They answer drafts to the full extent of the funds deposited in their hands ; but they will not pay a draft if it exceed their amount. Private bankers are not generally so scrupulous ; most of them allow respectable individuals, in whom they have confidence, to overdraw their accounts ; those who do so paying interest at the rate of 5 per cent. on whatever sums they overdraw. The possession of this power of overdraw-ing is often a great convenience to merchants, while it is rarely productive of loss to the banker. The money which is overdrawn is usually replaced within a short period ; sometimes, indeed, in the course of a day or two. The directors of the Bank of England decline granting this facility from a disinclination on their part, to come into competition in a matter of this sort with private bankers, who transact this kind of business better, probably, than it could be done by a great establishment like the bank.

The facility which banks afford to the public in the negotiation of bills of exchange, or in the making of payment at distant places, is very great. Many of the banking companies established in different districts have a direct intercourse with each other, and they have all correspondents in London. Hence, an individual residing in any part of the country who may wish to make a payment in any other part, however distant, may effect his object by applying to the bank nearest to him. Thus, suppose A, of Penzance has a payment to make to B of Inverness : to send the money by post would be hazardous ; and if there were fractional parts of a pound in the sum, it would hardly be practicable to make use of the post ; how then will A manage ? He will pay the sum to a banker in Penzance, and his debtor in Inverness will receive it from a banker there. The transaction is extremely simple ; the Penzance banker orders his correspondent in London to pay to the correspondent of the Inverness banker, the sum in question on account of B ; and the Inverness banker, being advised in course of post of what has been done, pays B. A small commission charged by the Penzance banker, and the postage, constitute the whole expense. There is no risk whatever, and the whole affair is transacted in the most commodious and cheapest manner.

By far the largest proportion both of the inland bills in circulation in the country, and also of the foreign bills drawn upon Great Britain, are made payable in London, the grand focus to which all the pecuniary transactions of the empire are ultimately brought to be adjusted. And in order still further to economise the use of money, the principal bankers of the metropolis are in the habit of sending a clerk each day, to the *clearing house* in

Lombard street, who carries with him the various bills in the possession of his house that are drawn upon other bankers; and having exchanged them for the bills in possession of those others that are drawn upon his constituents, the balance on the one side or the other is paid in cash or Bank of England notes. By this contrivance the bankers of London are enabled to settle transactions to the extent of several millions a day, by the employment of not more, at an average, than from 200,000*l.* to 300,000*l.* of cash or bank notes.

In consequence of these and other facilities afforded by the intervention of bankers for the settlement of pecuniary transactions, the money required to conduct the business of an extensive country is reduced to a trifle only, compared with what it would otherwise be. It is not, indeed, possible to form any very accurate estimate of the total saving that is thus effected; but, supposing that 50 or 60 millions of gold and silver and bank notes are at present required, notwithstanding all the devices that have been resorted to for economising money, for the circulation of Great Britain, it may, one should think, be fairly concluded, that 200 millions would, at the very least, have been required to transact an equal extent of business, but for those devices. If this statement be nearly accurate, and there are good grounds for thinking that it is rather under than over rated, it strikingly exhibits the vast importance of banking, in a public point of view. By its means 50 or 60 millions are rendered capable of performing the same functions, and in an infinitely more commodious manner, that would otherwise have required four times that sum; and supposing that 20 or 30 millions are employed by the bankers as a capital in their establishments, no less than 120 or 130 millions will be altogether disengaged, or cease to be employed as an instrument of circulation, and made available for employment in agriculture, manufactures, and commerce.

Promissory notes issued by private individuals or associations, circulate only because those who accept them have full confidence in the credit and solvency of the issuers, or because they feel assured they will be paid when they become due. If any circumstances transpired to excite suspicions as to their credit, it would be impossible for them to circulate any additional notes, and those that they had issued would be immediately returned for payment. Such, however, is not the case with paper money properly so called, or with notes that are declared *legal tender*. It is not necessary, in order to sustain the value of such notes, that they should be payable at all; the only thing that is required for that purpose is, that they should be issued in *limited quantities*. Every country has a certain number of exchanges to make; and whether these are effected by the employment of a given number of coins of a particular denomination, or by the employment of the same number of notes of the same denomination, is, in this respect, of no importance whatever. Notes which have been made legal tender, and are not payable on demand, do not circulate because of any confidence placed in the capacity of the issuers to retire them; neither do they circulate because they are of the same real value as the commodities for which they are exchanged; but they circulate, because, having been selected to perform the functions of *money*, they are, as such, readily received by all individuals in payment of their debts. Notes of this description may be regarded as a sort of tickets or counters to be used in computing the value of property, and in transferring it from one individual to another. And as they are no wise affected by fluctuations of credit, their value, it is obvious, must depend entirely on the quantity of them in circulation as compared with the payments to be made through their instrumentality, or the business they have to perform. By reducing the supply of notes below the supply of coins that

would circulate in their place were they withdrawn, their value is raised above the value of gold; while, by increasing them to a greater extent, it is proportionally lowered.

Hence, supposing it were possible to obtain any security other than immediate convertibility into the precious metals, that notes declared to be legal tender would not be issued in excess, but that their number afloat would be so adjusted as to preserve their value as compared with gold, nearly uniform, the obligation to pay them on demand might be done away. But it is needless to say that no such security can be obtained. Wherever the power to issue paper, not immediately convertible, has been conceded to any set of persons, it has been abused, or, which is the same thing, such paper has uniformly been over-issued, or its value depreciated from excess. It is now admitted on all hands to be indispensable, in order to prevent injurious fluctuations in the value of money, that all notes be made payable, at the pleasure of the holder, in an unvarying quantity of gold and silver. This renders it impossible for the issuers of paper, to depreciate its value below that of the precious metals. They may, indeed, by over-issuing paper, depress the value of the whole currency, gold as well as paper, in the country in which the over-issue is made; but the moment that they do this, gold begins to be sent abroad; and paper being returned upon the issuers for payment, they are, in order to prevent the exhaustion of their coffers, compelled to lessen their issues; and thus, by raising the value of their currency, stop the drain for bullion.

It does, however, appear to us, that it is not only necessary, in order to prevent the over-issue of paper, to enact that all notes should be payable on demand, but that it is further necessary, in order to insure compliance with this enactment, to prohibit any one from issuing notes until he has satisfied the government of his ability to pay them. The circumstances that excite public confidence in the issuers of paper are often of the most deceitful description; and innumerable instances have occurred, of the population of extensive districts having suffered severely from the insolvency of bankers in whom they placed the utmost confidence. In 1793, in 1814, 1815, and 1816, and again in 1825, a very large proportion of the country banks were destroyed, and produced by their fall an extent of ruin that has hardly been equalled in any other country. And when such disasters have already happened, it is surely the bounden duty of government to hinder, by every means in its power, their recurrence. It is no exaggeration to affirm, that we have sustained ten times more injury from the circulation of worthless paper, or paper issued by persons without the means of retiring it, than from the issue of spurious coin. It is said, indeed, by those who are hostile to interference, that coins are legal tenders, whereas, notes being destitute of that privilege, those who suspect them are at liberty to refuse them; but, whatever notes may be in law, they are, in very many districts, *practically* and *in fact*, legal tenders, and could not be rejected without exposing the parties to much inconvenience. It should also be observed, that laborers, women, minors, and every sort of persons, however incapable of judging of the stability of banking establishments, are dealers in money, and consequently liable to be imposed upon. This, then, is clearly a case in which it is absolutely imperative upon government to interfere, to protect the interests of those who cannot protect themselves, either by compelling all individuals applying for stamps for notes, to give security for their payment, or by making sure in some other way, that they have the means of paying them, and that the circulation of the notes will be a benefit, and not an injury to the public.

[ *To be Continued.* ]

## PUBLIC REVENUES OF GREAT BRITAIN.

*Selected from recent English Works.*

## CUSTOM-HOUSES.

That of London is of early institution, as customs were collected in a regular manner, in the tenth century. A custom-house was erected on a large scale, A. D. 1304; and another on a yet larger scale, was erected in 1559. This last was burnt down in 1666, and a new one was built by Charles II. Again burnt down in 1718, and again rebuilt. The custom-house once more became a prey to fire, Feb. 12, 1814, when it was totally burnt down, and immense property and valuable records were destroyed. The present edifice was opened May 12, 1817. The Dublin custom-house was commenced in 1781, and was opened in 1791. The eastern wing of its warehouse was destroyed by fire, with property to the amount of £ 400,000, Aug. 9, 1832.

## EXCISE.

The excise system was established in England by the Long Parliament; was continued under Cromwell and Charles II.; and was organised as at present, in the Walpole administration. It was first collected, and an office opened in 1643, and was arbitrarily levied upon liquors and provisions to support the parliament forces against Charles I. The Excise office was built on the site of Gresham College, in 1774. The officers of excise and customs were deprived of their votes for members of parliament, in 1782.

## EXCISE REVENUE OF GREAT BRITAIN IN THE FOLLOWING YEARS.

|                          |             |                         |              |
|--------------------------|-------------|-------------------------|--------------|
| 1744. Great Britain..... | £ 3,754,072 | 1830. United Kingdom... | £ 18,644,385 |
| 1786. " " .....          | 5,540,114   | 1834. " " ...           | 16,877,292   |
| 1808. " " .....          | 19,867,914  | 1837. " " ...           | 14,518,142   |
| 1820. " " .....          | 26,364,702  | 1840. " " .....         | 12,607,766   |
| 1827. United Kingdom     | 20,995,324  | 1844. " " .....         | 13,922,681   |

## CUSTOMS

Were collected upon merchandise in England, under Ethelred II., in 979. The king's claim to them by grant of parliament, was established 3 Edward I., 1274. The customs were farmed to Mr. Thomas Smith, for £20,000 for several years, in the reign of Elizabeth.—*Stowe*. They were farmed by Charles II. for £ 390,000 in the year 1666.—*Davenant*.

|                          |           |                          |             |
|--------------------------|-----------|--------------------------|-------------|
| In 1580 they amounted to | £ 14,000  | In 1748 they amounted to | £ 2,000,000 |
| In 1592 " " "            | 50,000    | In 1808 " " "            | 9,978,240   |
| In 1614 " " "            | 148,000   | In 1823 " " "            | 11,498,762  |
| In 1622 " " "            | 168,000   | In 1830 United Kingdom   | 17,540,323  |
| In 1642 " " "            | 500,000   | In 1835 " " "            | 18,612,906  |
| In 1720 " " "            | 1,555,600 | In 1840 " " "            | 19,915,296  |

The customs in Ireland were, in the year 1224, viz. on every sack of wool, 3d.; on every last of hides, 6d.; and 2d. on every barrel of wine.—*Annals of*

*Dublin.* Custom-house officers, and officers of excise, were disqualified from voting for the election of members of parliament, by statute 22, George III., 1782. The customs' business of Ireland was transferred to the London board, Jan. 6, 1830.

### PUBLIC REVENUE OF ENGLAND.

The revenue collected for the civil list, and for all the other charges of government, as well ordinary as extraordinary, was £1,200,000 per annum, in 1660, the first after the restoration of Charles II. Raised to £6,000,000 and every branch of the revenue anticipated, which was the origin of the funds and the national debt, William and Mary, 1690—*Salmon's Chronological History.*

#### PUBLIC REVENUE SINCE THE CONQUEST, BY SIR JOHN SINCLAIR.

|                             |          |                          |            |
|-----------------------------|----------|--------------------------|------------|
| 1066. William the Conqueror | £400,000 | 1509. Henry VIII.        | £800,000   |
| 1087. William Rufus         | 350,000  | 1547. Edward VI.         | 400,000    |
| 1109. Henry I.              | 300,000  | 1553. Mary               | 450,000    |
| 1135. Stephen               | 250,000  | 1558. Elizabeth          | 500,000    |
| 1154. Henry II.             | 200,000  | 1603. James I.           | 600,000    |
| 1189. Richard I.            | 150,000  | 1625. Charles I.         | 895,819    |
| 1199. John                  | 100,090  | 1649. Commonwealth       | 1,517,247  |
| 1216. Henry III.            | 80,090   | 1660. Charles II.        | 1,800,000  |
| 1272. Edward I.             | 150,900  | 1685. James II.          | 2,001,855  |
| 1307. Edward II.            | 100,000  | 1689. William III.       | 3,895,205  |
| 1327. Edward III.           | 154,000  | 1702. Anne, at the Union | 5,691,803  |
| 1377. Richard II.           | 130,000  | 1714. George I.          | 6,762,643  |
| 1399. Henry IV.             | 100,000  | 1727. George II.         | 8,522,540  |
| 1413. Henry V.              | 76,643   | 1788. George III.        | 15,572,971 |
| 1422. Henry VI.             | 64,976   | 1820. " United Kingdom   | 65,599,570 |
| 1461. Edward IV.            |          | 1825. George IV. "       | 62,871,300 |
| 1483. Edward V.             | 100,000  | 1830. William IV. "      | 55,431,317 |
| 1483. Richard III.          | 130,000  | 1835. " "                | 50,494,732 |
| 1485. Henry VII.            | 400,000  | 1845. Victoria "         | 51,067,856 |

The following is an exhibit of the revenue for the years ending April 1, 1845 and 1846 :

|                                                                 | To April 1, 1845.  | To April 1, 1846.  |
|-----------------------------------------------------------------|--------------------|--------------------|
| Customs.....                                                    | £20,176,731        | £17,664,618        |
| Excise.....                                                     | 12,224,907         | 11,886,085         |
| Stamps.....                                                     | 6,714,840          | 7,095,521          |
| Taxes.....                                                      | 4,217,748          | 4,224,039          |
| Property tax.....                                               | 5,104,448          | 5,084,741          |
| Post office.....                                                | 679,000            | 768,000            |
| Crown lands.....                                                | 125,000            | 180,000            |
| Miscellaneous.....                                              | 1,067,354          | 939,747            |
| <b>Total ordinary revenue.....</b>                              | <b>£50,310,028</b> | <b>£47,792,751</b> |
| Imprest and other monies....                                    | 429,901            | 170,846            |
| Repayments of advances....                                      | 1,067,774          | 1,516,887          |
| <b>Total.....</b>                                               | <b>£51,807,703</b> | <b>£49,480,484</b> |
| Applied to consolidated fund, }<br>(public debt and interest) } | 37,362,538         | 30,453,887         |
| Applied to advances.....                                        | 1,003,502          | 1,406,578          |
| Applied as part ways and means                                  | 13,441,663         | 17,620,019         |
| <b>Total .....</b>                                              | <b>£51,807,703</b> | <b>£49,480,484</b> |



These returns show an increase or decrease for the present year, when compared with the last, as follows :

| <i>Increase in 1846.</i> |          | <i>Decrease in 1846.</i> |            |
|--------------------------|----------|--------------------------|------------|
| From stamps.....         | £380,681 | From customs.....        | £2,512,113 |
| “ taxes.....             | 6,291    | “ excise.....            | 338,822    |
| “ the post office.....   | 89,000   | “ property tax.....      | 19,707     |
| “ crown lands.....       | 5,000    | Miscellaneous.....       | 127,607    |
|                          | <hr/>    |                          | <hr/>      |
|                          | 480,972  |                          | £2,998,249 |
| Repayments... ..         | 449,113  | Imports.....             | 259,035    |
|                          | <hr/>    |                          | <hr/>      |
| Total.....               | 930,085  | Total.....               | £3,257,284 |

The following are the custom duties in gross, received at the chief mercantile ports, during the year 1841 :

| 1841.                   |             | 1841.           |          |
|-------------------------|-------------|-----------------|----------|
| London.....*            | £11,757,262 | Newcastle.....  | £410,076 |
| Liverpool.....          | 4,140,593   | Belfast.....    | 372,792  |
| Bristol.....            | 1,046,800   | Cork.....       | 263,364  |
| Dublin... ..            | 977,718     | Waterford.....  | 168,359  |
| Glasgow and Greenock... | 949,635     | Limerick.....   | 170,552  |
| Hull.....               | 712,124     | Gloucester..... | 123,683  |
| Leith.....              | 604,098     | Plymouth.....   | 126,727  |
|                         |             | Londonderry.... | 108,507  |

All the other ports receive less than 100,000*l.*—*From Parl. paper*, dated April 5th, No. 143.

### NATIONAL DEBT OF GREAT BRITAIN.

The first mention of parliamentary security for a debt of the nation, occurs in the reign of Henry VI. The present national debt commenced in the reign of William III. It had amounted, in the year 1697, to about five millions sterling, and the debt was then thought to be of alarming magnitude.

|                                                                       |             |
|-----------------------------------------------------------------------|-------------|
| In 1702. On the accession of queen Anne, the debt amounted to         | £14,000,000 |
| In 1714. On the accession of George I. it amounted to.....            | 54,000,000  |
| In 1749. George II. after the Spanish war, it amounted to...          | 78,000,000  |
| In 1763. George III. end of the 7 years' war, it amounted to...       | 139,000,000 |
| In 1786. Three years after the American war, it amounted to..         | 268,000,000 |
| In 1798. The civil and foreign war, it amounted to.....               | 462,000,000 |
| In 1802. Close of the French revolutionary war, it amounted to        | 571,000,000 |
| In 1814. Close of the war against Buonaparte, it amounted to..        | 865,000,000 |
| In 1814. When the English and Irish exchequers were consolidated..... | 848,282,477 |
| In 1830. Total amount of the funded and unfunded debt.....            | 840,184,022 |
| In 1840. Total amount of “ “                                          | 789,578,820 |

### LOANS

For the service of the crown of England were generally borrowed at Antwerp, until after the reign of Elizabeth. In 1559, that queen borrowed 200,000*l.* of the city of Antwerp, to enable her to reform her own coin, and

\* Being double the amount of duties received at all the ports of the United States, for the same period.

Sir Thomas Gresham and the city of London joined in the security.—*Rapin*.  
The amount of the English loans, during four late memorable periods, was, viz.

|                                     |                      |              |
|-------------------------------------|----------------------|--------------|
| Seven years' war, . . . . .         | from 1755 to 1763, . | £ 52,100,000 |
| American war, . . . . .             | " 1776 to 1784, .    | 75,500,000   |
| French Revolutionary war, . . . . . | " 1793 to 1802, .    | 163,500,000  |
| War against Buonaparte, . . . . .   | " 1803 to 1814, .    | 206,300,000  |

Besides the property tax. In 1813, were raised two loans of twenty-one millions and twenty-two millions; and it deserves to be recorded that a subscription loan to carry on the war against France, was filled up in London, in 15 hours and 20 minutes, to the amount of eighteen millions, Dec. 5, 1796.

### PUBLIC DEBT OF THE UNITED KINGDOM.

An account of the State of the Public Funded Debt of Great Britain and Ireland on the 5th January, 1845; prepared from the Annual Finance Accounts of the United Kingdom.

| GREAT BRITAIN.                                                                                                          |              | 1845. |      |
|-------------------------------------------------------------------------------------------------------------------------|--------------|-------|------|
| Debt due to the South Sea Company.....                                                                                  | £ 3,662,784  | 8s.   | 6½d. |
| Old South Sea Annuities.....                                                                                            | 3,497,870    | 2     | 7    |
| New " " .....                                                                                                           | 2,460,830    | 2     | 10   |
| South Sea Annuities, 1751.....                                                                                          | 523,100      | 0     | 0    |
| Debt due to the Bank of England.....                                                                                    | 11,015,100   | 0     | 0    |
| Bank Annuities created in 1726.....                                                                                     | 816,140      | 0     | 0    |
| Consolidated Annuities.....                                                                                             | 366,198,409  | 4     | 2½   |
| Reduced Annuities.....                                                                                                  | 125,641,233  | 4     | 7    |
| <hr/>                                                                                                                   |              | <hr/> |      |
| Total at 3 per cent.....                                                                                                | 513,815,467  | 2     | 8½   |
| Annuities at 3½ per cent.....                                                                                           | 219,625,256  | 14    | 6    |
| New 5 per cent. Annuities.....                                                                                          | 430,076      | 3     | 2    |
| <hr/>                                                                                                                   |              | <hr/> |      |
| Total: Great Britain.....                                                                                               | 733,870,800  | 0     | 4½   |
| IRELAND.                                                                                                                |              |       |      |
| Irish Consolidated Annuities, 3 per cent..                                                                              | 5,274,563    | 15    | 11   |
| Irish Reduced Annuities, 3 per cent.....                                                                                | 213,929      | 8     | 10   |
| Annuities at 3½ per cent.....                                                                                           | 29,076,122   | 18    | 5    |
| Debt to the Bank of Ireland at 3½ per cent.                                                                             | 2,630,769    | 4     | 8    |
| New 5 per cent Annuities.....                                                                                           | 3,673        | 11    | 2    |
| <hr/>                                                                                                                   |              | <hr/> |      |
| Total: United Kingdom.....                                                                                              | 771,069,858  | 19    | 4½   |
| Capitals transferred to and standing in the names of the National Debt Commissioners on acct. of donations and bequests | 307,639      | 8     | 4    |
| Unclaimed stock.....                                                                                                    | 385,174      | 14    | 0    |
| Unclaimed Dividends.....                                                                                                | 1,183,400    | 0     | 0    |
| <hr/>                                                                                                                   |              | <hr/> |      |
| Total: unredeemed capitals.....                                                                                         | £769,193,644 | 17    | 0½   |

### FUNDS.

To the Venetians is ascribed the origin of the funding system, in A. D. 1171. Public funds were raised by the Medici family at Florence, in 1340. Our funding system, or the method of raising the supplies for the public service in England, by anticipations of the public revenues, (the origin of the national debt,) introduced at the Revolution, 1689.—*Mortimer's Broker*. The funding system is coeval with the commencement of the Bank of Eng-

land.—*Anderson*. The three *per cent.* annuities were created in 1726. The three *per cent.* consols were created 1731. The three *per cent.* reduced 1746. Three *per cent.* annuities, payable at the South Sea-house, 1751. Three and a half *per cent.* annuities created 1758. Long annuities, 1761. Four *per cent.* consols, 1762. Five *per cent.* annuities, 1797 and 1802. Five *per cents.* reduced to four, 1822.

## CURIOSITIES OF BANKING.

From the London Bankers' Magazine.

In *Carr's Tour in Ireland*, published in 1806, we find the following description of what then constituted the currency of the country:—

“1st. *A copious effusion of paper*, from a guinea note to several thousand pounds.

2nd. *English guineas*, seldom seen out of the north of Ireland, worth one pound two shillings and nine pence each.

3rd. *Dollars*, worth five shillings and five pence Irish each.

4th. *Silver bank tokens*, of six shillings Irish each.

5th. *Silver bank tokens*, called ten-penny and five-penny pieces, worth so much Irish each.

6th. *Hogs or shillings*, sometimes called *thirteens*, worth thirteen pence Irish each.

7th. *Pigs or testers*, worth seven pence Irish each.

8th *Penny, halfpenny and farthing* pieces, a very recent coinage.”

The following extracts from Mr. Carr's work, will sufficiently illustrate the evils and inconveniences which existed from the imperfect state of the currency before its assimilation to that of England in 1826—only twenty years ago.

“The production of a guinea in many parts of Ireland excites as much curiosity as the display of a *ruble* or a *sicca rupee* would. Upon the arrival of the first of those precious coins in Dublin it speedily finds its way either to the banker's counter, or to shops called “specie shops,” over the doors of which is written “Guineas bought and sold here, and bank notes exchanged for guineas.” Here a guinea exchanged for a bank of Ireland guinea note was some time since resold at one pound three shillings and one pound three shillings and six pence, at present (1806) it is at one shilling, which is low. Small Bank of England notes are at a premium proportionate to guineas.

“The silver coin has always been inferior to the silver coin in England. In the beginning of the year 1804 the silver was so adulterated that, particularly the treasury of the castle refused to take it from the post-office, and in consequence the *postmen* refused to take it from the public, and detained their letters; and the sellers of the necessary articles of life required a higher price for their articles paid for in silver. This distressing difficulty was softened only by permission to the buyer, if he had credit, to keep up a running account with the seller, until the articles sold amounted to a guinea

note when it was paid in paper to that amount! Many persons were obliged to part with what they received as five shillings for wages, for less than half the value in goods.

“The want of good silver coin (says the same writer) is particularly lamentable and embarrassing. Many of the great quantity of base *shillings* in circulation are not intrinsically worth *fourpence*; but if they are of sufficient weight, or what is admitted to be so by tacit consent, viz. two pennyweights and sixteen grains and a half, and do not present too *brazen* an appearance of their felonious origin, they are permitted to descend in to the till, to prevent a total stagnation of trade. Even these shillings are rare, and their rarity is frequently disastrous to business. After having been detained half an hour for change, I have more than once been told by the shopkeeper, with great regret, that he had sent to all his neighbors for change but could not obtain any, and consequently the article purchased resumed its former place upon the shelf. It is worthy of observation, that the mint shilling weighs three pennyweights and twenty-one grains, so that even in *mere weight* an Irish shopkeeper is compelled to submit to a deduction of rather more than one-third.

“The deficiency of silver may perhaps be attributable, in a great degree, to the effusion of silver paper notes during the great circulation of base shillings in the spring of 1804—the former of which the lower class of people preferred; and, in consequence of this cheap substitution, the good silver was sent abroad as the best mode of remittance. After the re-appearance of silver, upon the subsidence of the rebellion, the interest of individuals induced them to export all the good shillings they could industriously procure to England, where twenty-one of them could be exchanged for an English guinea, and in Ireland no less number would be taken for an Irish guinea note; the difference between which, in point of exchange, left a handsome profit to those who engaged largely in the traffic.”

Of the manner in which such notes were forced into circulation, we have an amusing account in *Hardcastle's Banks and Bankers* published a short time since.

“The issuers of the small notes resorted to expedients of all kinds for the purpose of forcing a trade. They supplied small traders with their notes, and used to pay a premium to get them into circulation. The bankers themselves were in the habit of attending markets and fairs, like so many hucksters, each putting off his own commodity as best he might. Their favorite issue was not promissory notes, but post bills at ten days sight, which, being generally unaccepted, were paid, if paid at all, at convenience. But the mischief did not rest with the multitude of bankers. Besides the fifty private firms, there were as many as two hundred and ninety-five petty dealers and chapmen, grocers, spirit dealers, apothecaries, and shopkeepers of all sorts, inundating the country with a species of I. O. U. called “silver money,” which was a direct violation of the law, and ranged in nominal amount from three halfpence to ten shillings. This fraudulent paper was principally spread

over the south and south-west of Ireland, which further suffered under an enormous distribution of *forged notes*, the unlettered population being in that respect easily imposed upon."

In *Gilbart's History of Banking in Ireland*, he quotes an account of an "old Irish banker" who maintained a "small note" circulation on a capital of such a peculiar character, that we may very properly notice him here. The account is, we believe, by no means an exaggerated example of what frequently occurred. Speaking of the banks which issued such notes as those we give specimens of, the party quoted says:—

"In the town of Killarney was one of those banks; the proprietor of which was a kind of saddler, whose whole stock in that trade was not worth forty shillings; but which forty shillings if even so much, was the entire amount of his capital in the banking concern.

"I once accompanied a large party of English ladies and gentlemen to that enchanting spot; where, having amused ourselves for a few days, we were on the point of returning to Dublin, when one of the party recollected that he had in his possession a handful of the saddler's paper. Accordingly we all set out by way of sport to have them exchanged; one principal object being to see and converse with the proprietor of such a bank.

"Having entered the shop, which barely sufficed to admit the whole company, we found the banking saddler hard at work, making a straddle. One of the gentlemen thus addressed him:—

"'Good morning to you, sir! I presume you are the gentleman of the house.'

"'At your service ladies and gentlemen,' returned the saddler.

"'It is here I understand that the bank is kept?' continued my friend.

"'You are just right, sir,' replied the mechanic; 'this is the Killarney Bank for want of a better.'

"My friend then said—'We're on the eve of quitting your town; and as we have some few of your notes, which will be of no manner of use to us elsewhere, I'll thank you for cash for them.'

"The banker replied, 'cash! plase your honour, what is that? is it any thing in the leather line?—I have a beautiful saddle here as ever was put across a horse; good and chape upon my say so. How much of my notes have you sir, if you plase?'

"This question required some time for an answer, calculation being necessary; at length my friend counted them out as follows:—

|                                                               |           |             |             |
|---------------------------------------------------------------|-----------|-------------|-------------|
| Three notes for 3 <i>d.</i> each,                             | . . . . . | 0 <i>s.</i> | 9 <i>d.</i> |
| Two ditto for 4 <i>d.</i> each,                               | . . . . . | 0           | 8           |
| Two ditto for 6½ <i>d.</i> each, half a thirteen,             | . . . . . | 1           | 1           |
| Three ditto for 8½ <i>d.</i> each, three-fourths of thirteen, | . . . . . | 2           | 1½          |
| Two ditto for 9 <i>d.</i> each,                               | . . . . . | 1           | 6           |
| One ditto for 1 <i>s.</i> 1 <i>d.</i> , or one thirteen,      | . . . . . | 1           | 1           |

|                                                                  |                |
|------------------------------------------------------------------|----------------|
| One ditto for 1s. 5d., . . . . .                                 | 1s. 6d.        |
| One ditto for 3s. 3d., or three thirteens, . . . . .             | 3 3            |
| One ditto for 3s. 9½d., or three thirteens and a half, . . . . . | 3 9½           |
|                                                                  | <hr/> 15s. 9d. |

“‘There, sir,’ said he, are no less than sixteen of your promises to pay, for the amazing large sum of fifteen shillings and ninepence, sterling money.”

“‘I should be sorry, most noble sir,’ returned the banker, ‘to waste any more of your lordship’s time, or of those sweet beautiful ladies and gentlemen; but I have an illigant bridle here, as isn’t to be matched in Yoorup, Aishy, Afrikey, or Merikey; it’s lowest price is 15s. 6½d.—we’ll say 15s. 6d. to your lordship. If ye’ll be pleased to accept it, there will be a twopence halfpenny, or a threepenny note coming to your lordship, and that will close the business at once.’”

## FOREIGN BANKERS.

The following List of Foreign Bankers, has been prepared for the London Bankers’ Magazine from materials furnished by the *London and Westminster Bank* by *Messrs. Herries, Farquhar & Co.*, and the *Union Bank of London*. It may, therefore, be depended on, as accurate up to the latest dates :

| TOWNS.                 | CORRESPONDENTS.           | TOWNS.                     | CORRESPONDENTS                   |
|------------------------|---------------------------|----------------------------|----------------------------------|
| <i>Abbeville</i>       | Gavelle & Co.             | <i>Bagnères de Bigorre</i> | Villeneuve, Sr. & Co             |
| <i>Aix-en-Provence</i> | Guitton Talamel.          | <i>Barcelona</i>           | Gerona, Brothers,<br>Clave & Co. |
| <i>Aix-la-Chapelle</i> | N. Wergifosse.            | <i>Bareges</i>             | Villeneuve, Sr. & Co.            |
| Do.                    | Oeder & Co.               | <i>Basle</i>               | Vischer & Son.                   |
| <i>Alexandria</i>      | Briggs & Co.              | <i>Bayonne</i>             | Charles Detroyat &               |
| Do.                    | Fraser & Co.              | Do.                        | Lanne, Bros. [Corta.             |
| <i>Aleppo</i>          | Wm. & Rob. Black<br>& Co. | <i>Beirut</i>              | Wm. & Rob. Black<br>& Co.        |
| <i>Alicante</i>        | Satchell & Co.            | Do.                        | C. Roquerbe & Co.                |
| <i>Almeira</i>         | Wm. Barron.               | Do.                        | Lancaster, Watson &<br>Co.       |
| <i>Amiens</i>          | Griman & Codeville.       | <i>Bergen</i>              | Alex. Greig & Son.               |
| Do.                    | Massey, Sen.              | <i>Berlin</i>              | Schickler, Brothers.             |
| <i>Amsterdam</i>       | Julius Konigswarter.      | <i>Berne</i>               | Marcuard & Co.                   |
| Do.                    | Hope & Co.                | <i>Besancon</i>            | Jacquard & Co                    |
| <i>Ancona</i>          | Fratelli Almagia & Co     | <i>Bilboa</i>              | Fras. Gaminde.                   |
| Do.                    | G Terni & Son.            | <i>Blois</i>               | Aucher Bruere.                   |
| <i>Antwerp</i>         | J. J. Le Grelle.          | <i>Bologna (en Italie)</i> | Flavio Perotti.                  |
| Do.                    | Nottebohm, Brothers.      | <i>Bombay</i>              | Oriental Bank                    |
| <i>Anvers</i>          | Osy & Co.                 | Do.                        | Ritchie, Steuart & Co            |
| <i>Athens</i>          | Frederick Strong.         | Do.                        | Bank of Bombay.                  |
| <i>Augsbourg</i>       | J. A. Susskind.           | <i>Bonn</i>                | Jonas Cahn.                      |
| Do.                    | P. de Stettin.            | Do.                        | Freid Weerth.                    |
| <i>Avignon</i>         | Claude Cealis.            | <i>Bordeaux</i>            | Walter & D. Johnston.            |
| Do.                    | Thomas, Brothers.         | <i>Boulogne-sur-Mer</i>    | Achille Adam,                    |
| <i>Avranches</i>       | F. Hullin.                | Do.                        | Alex. Adam & Co.                 |
| <i>Baden-Baden</i>     | Aug. Klose.               | Do.                        | Fontaine & Lesage.               |
| Do.                    | F. S. Meyer.              |                            |                                  |
| Do.                    | S. Haber & Son.           |                            |                                  |

|                           |                       |                        |                           |
|---------------------------|-----------------------|------------------------|---------------------------|
| <i>Bolzen</i>             | J. J. Graff & Co.     | <i>Dijon</i>           | Drevon & Marion.          |
| <i>Bremen</i>             | Erich F. Oelrichs.    | <i>Do.</i>             | Quinche & Andre, Jun.     |
| <i>Do.</i>                | Widow J. Langs, Son   | <i>Dresden</i>         | H. G. Bassenge & Co.      |
| <i>Do.</i>                | & Co.                 | <i>Do.</i>             | M. Kaskel.                |
| <i>Do.</i>                | H. Schroder & Son.    | <i>Dunkirk</i>         | Ch. Carlier.              |
| <i>Breslau</i>            | Eichhorn & Co.        | <i>Do.</i>             | V. D. Morel & Son.        |
| <i>Do.</i>                | C. T. Lobbecke & Co.  | <i>Dusseldorf</i>      | William Cleff             |
| <i>Bruges</i>             | Felix du Jardin.      | <i>Elberfeld</i>       | Von der Heydt Kersten     |
| <i>Brunn</i>              | John Herring.         |                        | & Son.                    |
| <i>Brunswick</i>          | Lobbecke, Bros. & Co. | <i>Elsinore</i>        | N. & C. Fenwick.          |
| <i>Brussels</i>           | Simon Salter.         | <i>Emms</i>            | Deinhard & Jordan, of     |
| <i>Do.</i>                | J. G. Le Grelle.      |                        | Coblentz.                 |
| <i>Do.</i>                | F. Brugmann & Son.    | <i>Florence</i>        | Maquay & Pakenham.        |
| <i>Cadiz</i>              | Loneran, Brothers &   | <i>Do.</i>             | Plowden & French.         |
| <i>Do.</i>                | Son.                  | <i>Do.</i>             | Em. Fenzi & Co.           |
| <i>Do.</i>                | John D. Shaw.         | <i>Frankfort-sur-</i>  | Gogel, Koch & Co.         |
| <i>Caen</i>               | F. Guilbert & Co.     | <i>Main</i>            | Marcus Konigswarter.      |
| <i>Cairo</i>              | Briggs & Co.          | <i>Gand</i>            | De Meulemeester & Son     |
| <i>Calais</i>             | Ph. Devot & Co.       | <i>Genes</i>           | E. Pescio & Co.           |
| <i>Calculta</i>           | Cockerell & Co.       | <i>Geneva</i>          | Lombard, Odier & Co.      |
| <i>Do.</i>                | Oriental Bank.        | <i>Genoa</i>           | Gibbs & Co.               |
| <i>Cambray</i>            | N. Boniface & Son.    | <i>Ghent</i>           | The Bank of Flanders.     |
| <i>Canada (Upper)</i>     | Bank of.              | <i>Gibraltar</i>       | Archbold, Johnston &      |
| <i>Cape of Good Hope,</i> | Cape of Good Hope     |                        | Powers.                   |
| <i>Cape Town</i>          | Bank.                 | <i>Gottenbourg</i>     | D. Carnegie & Co.         |
| <i>Cape of Good Hope,</i> | Eastern Province      | <i>Gottingen</i>       | L. & P. Benfey.           |
| <i>Graham's Town</i>      | Bank.                 | <i>Do.</i>             | H. F. Klettwig & Reib-    |
| <i>Carlsbad</i>           | Bernard Gottl.        |                        | stein.                    |
| <i>Carlsruhe</i>          | S. Haber & Son.       | <i>Graefenburg</i>     | Arnstein & Eskeles, of    |
| <i>Do.</i>                | Auguste Klose.        |                        | Vienna.                   |
| <i>Cassel Hesse</i>       | L. Feidel.            | <i>Granville</i>       | Gallien & Toupet.         |
| <i>Cephalonia</i>         | Barff, Hancock & Co.  | <i>Gratz</i>           | Alois Eisl.               |
| <i>Cette</i>              | F. Durand & Son.      | <i>Halifax (N. S.)</i> | Charman & Co.             |
| <i>Ceylon</i>             | Oriental Bank.        | <i>Hamburg</i>         | S. Heine.                 |
| <i>Chalon sur Saone</i>   | P. C. Paradis.        | <i>Do.</i>             | Parish & Co.              |
| <i>Chambery</i>           | V. Python & Genoud.   | <i>Hanover</i>         | L. & A. H. Cohen.         |
| <i>Cherbourg</i>          | Mauger, Brothers.     | <i>Do.</i>             | Adolphe Meyer.            |
| <i>Christiana</i>         | A. Gruning & Co.      | <i>Havre</i>           | Dubois & Co.              |
| <i>Christiansand</i>      | Reinhardt & Co.       | <i>Hague</i>           | Scheurleer & Son.         |
| <i>Clermont Ferrand</i>   | Blanc & Lacombe.      | <i>Heidelberg</i>      | Ch. Adam Fries.           |
| <i>Coblentz</i>           | Deinhard & Jordan.    | <i>Hermanstadt</i>     | N. Goumma.                |
| <i>Do.</i>                | F. H. Kehrmann        | <i>Hong Kong</i>       | Oriental Bank.            |
| <i>Coburg</i>             | Schraidt & Co.        | <i>Hyerres</i>         | Crassous & Co.            |
| <i>Cologne</i>            | J. D. Herstatt.       | <i>Inspruck</i>        | James Fischner.           |
| <i>Do.</i>                | A. Schaaflhausen.     | <i>Do.</i>             | J. G. Ischurtschenthaler. |
| <i>Constance</i>          | Macaire & Co.         | <i>Interlaken</i>      | Seiler & Strubin.         |
| <i>Constantinople</i>     | Chas. S. Hanson & Co. | <i>Jamaica</i>         | Planters' Bank.           |
| <i>Do.</i>                | Whittall & Watson.    | <i>Jerusalem</i>       | W. T. Young.              |
| <i>Cordova</i>            | J. Paroldo & Son.     | <i>Kissingen</i>       | Bolzano, Brothers.        |
| <i>Copenhagen</i>         | Frolich & Co.         | <i>Konigsberg</i>      | C. L. Andersch.           |
| <i>Do.</i>                | George Ryan.          | <i>Lausanne</i>        | Gautier & Co.             |
| <i>Corfu</i>              | J. Courage. F. Gysi.  | <i>Do.</i>             | L. S. Marten.             |
| <i>Corunna</i>            | J. Fran. Barrie.      | <i>Leghorn</i>         | Thomas Harrison.          |
| <i>Damascus</i>           | W. & R. Black & Co.   | <i>Leipsig</i>         | Frege & Co.               |
| <i>Do.</i>                | G. H. Gibb & Co.      | <i>Do.</i>             | M. Kaskel.                |
| <i>Dantzic</i>            | Gibson & Co.          | <i>Liege</i>           | Charles Dubois.           |
| <i>Darmstadt</i>          | J. A. Zoeppritz.      | <i>Do.</i>             | M. J. Vercour & Co.       |
| <i>Dieppe</i>             | Osmont Dufour & Co.   | <i>Lille</i>           | Rouze Mathon.             |
| <i>Do.</i>                | Quenouille, Sen.      | <i>Do.</i>             | L. Pollet, Sen.           |
| <i>Drontheim</i>          | Hans Knudtson & Co.   | <i>Lisbon</i>          | Lucas, Gonne & Gribble    |

|                                |                                     |                              |                                |
|--------------------------------|-------------------------------------|------------------------------|--------------------------------|
| <i>Lisbon</i>                  | H. G. Skoltz.                       | <i>Paris</i>                 | A. Gouin & Co.                 |
| <i>L' Orient</i>               | Besne, Widow Herbert & Son.         | <i>Do.</i>                   | De Rothschild, Brothers.       |
| <i>Lubec</i>                   | Muller, Brothers.                   | <i>Parma</i>                 | L. Laurent.                    |
| <i>Lucca</i>                   | F. Petri.                           | <i>Patras</i>                | Barff, Hancock & Co.           |
| <i>Do. (Baines de)</i>         | Maquay & Pakenham.                  | <i>Pau</i>                   | Davantes, Brothers.            |
| <i>Do.</i>                     | Plowden & French.                   | <i>Do.</i>                   | Merillon, Sen.                 |
| <i>Lucerne</i>                 | Falcini, Jun. & Co.                 | <i>Perpignan</i>             | F. Durand.                     |
| <i>Do.</i>                     | F. Knoerr & Son.                    | <i>Pest</i>                  | C. J. Malvieux.                |
| <i>Lwourne</i>                 | W. Macbean & Co.                    | <i>Pisa</i>                  | Maquay & Pakenham.             |
| <i>Lyons</i>                   | Widow Guerin & Son.                 | <i>Do.</i>                   | Ferd. Peverada.                |
| <i>Madeira</i>                 | G. & R. Blackburn & Co.             | <i>Port St. Mary</i>         | Duff, Gordon & Co.             |
| <i>Do.</i>                     | Murdoch, Shortridge & Co.           | <i>Prague</i>                | C. A. Fiedler & Son.           |
| <i>Madras</i>                  | Bank of Madras.                     | <i>Presbourg</i>             | Arnstein & Eskeles, of Vienna. |
| <i>Do.</i>                     | Binny & Co.                         | <i>Quebec</i>                | Branch of Bank of Montreal.    |
| <i>Madrid</i>                  | Henry O'Shea & Co.                  | <i>Rastadt</i>               | F. S. Meyer.                   |
| <i>Malaga</i>                  | Crooke, Brothers.                   | <i>Ratisbonne</i>            | G. W. Henle.                   |
| <i>Do.</i>                     | John Giro.                          | <i>Rennes</i>                | Charles Le Ray.                |
| <i>Malta</i>                   | James Bell & Co.                    | <i>Rheims</i>                | Ruinart & Son.                 |
| <i>Do.</i>                     | R. Duckworth & Co.                  | <i>Riga</i>                  | Cummings, Fenton & Co.         |
| <i>Mannheim</i>                | W. H. Ladenburg & Son.              | <i>Do.</i>                   | Ernest Milne & Co.             |
| <i>Do.</i>                     | J. G. Reinhardt.                    | <i>Rio de Janeiro</i>        | Freeland, Ker, Collings & Co.  |
| <i>Marienbad</i>               | Bernard Gottl.                      | <i>Rome</i>                  | Torlonia & Co.                 |
| <i>Marseilles</i>              | J. D. Richardson & Co.              | <i>Do.</i>                   | Plowden, Cholmeley & Co.       |
| <i>Do.</i>                     | Salavy, Son & Co.                   | <i>Rotterdam</i>             | Ferrier & Co.                  |
| <i>Mauritius (Port Louis.)</i> | Blyth, Brothers & Co.               | <i>Do.</i>                   | Nottebohm, Brothers.           |
| <i>Mayence</i>                 | G. L. Kayser.                       | <i>Rouen</i>                 | B. Cabanon & Co.               |
| <i>Memel</i>                   | L. Simpson.                         | <i>Do.</i>                   | Quesnell, Brothers & Co.       |
| <i>Messina</i>                 | Cailler & Co.                       | <i>Salzburg</i>              | Spath, Jun.                    |
| <i>Metz</i>                    | P. J. Chedeaux & Co.                | <i>Santa Cruz, Teneriffe</i> | Bruce, Hamilton & Co.          |
| <i>Milan</i>                   | J. M. Poggi.                        | <i>Schwalback</i>            | Marcus Berle.                  |
| <i>Do.</i>                     | Ulrich & Co.                        | <i>Seville</i>               | Cahil, White & Beck.           |
| <i>Montpelier</i>              | F. Durand & Son.                    | <i>Shauffaussen</i>          | Frey & Son.                    |
| <i>Montreal</i>                | Bank of Montreal.                   | <i>Siena</i>                 | Maquay & Pakenham.             |
| <i>Moscow</i>                  | J. L. Burckhardt.                   | <i>Smyrna</i>                | Hayes, La Fontaine & Co.       |
| <i>Do.</i>                     | A. Marc & Co.                       | <i>Do.</i>                   | Lee & Son.                     |
| <i>Munich</i>                  | A. E. d'Eichthal.                   | <i>Spa</i>                   | T. F. Hayemal.                 |
| <i>Munster</i>                 | Ernest Schmedding.                  | <i>Do.</i>                   | G. Wilkin.                     |
| <i>Nancy</i>                   | Elie Baille.                        | <i>St. Galle</i>             | J. J. Mayer & Son.             |
| <i>Nantes</i>                  | P. Ciret & Co.                      | <i>St. Malo</i>              | P. Fontan.                     |
| <i>Naples</i>                  | Cotterell, Iggulden & Co.           | <i>Do.</i>                   | Lemoine.                       |
| <i>Do.</i>                     | W. J. Turner & Co.                  | <i>St. Omer</i>              | A. Caffieri.                   |
| <i>Neufchatel</i>              | Antoine Fornachon.                  | <i>St. Petersburg</i>        | Cayley, Moberley & Co.         |
| <i>Nice</i>                    | Avigdor, Sr. & Son.                 | <i>Do.</i>                   | Wilson & Co.                   |
| <i>Do.</i>                     | E. Carlone & Co.                    | <i>Stockholm</i>             | D. Erskine.                    |
| <i>Nismes</i>                  | Vincens Devillas & Co.              | <i>Do.</i>                   | Tottie & Arfwedson.            |
| <i>Nuremberg</i>               | Leonard Kalb.                       | <i>Strasbourg</i>            | Rattisbonne, Brothers.         |
| <i>Nuremberg (Furth, near)</i> | Widow of F. H. Kenigs-warter & Son. | <i>Do.</i>                   | Renouard de Bussierre.         |
| <i>Odessa</i>                  | E. Maho & Co.                       | <i>Stuttgart</i>             | The Son of G. H. Keller.       |
| <i>Oleron</i>                  | Davantes, Brothers.                 | <i>Turbes</i>                | Villeneuve, Son & Co.          |
| <i>Oporto</i>                  | Burwester & Co.                     | <i>Teneriffe</i>             | Bruce, Hamilton & Co.          |
| <i>Do.</i>                     | Cockburns, Greig & Dunlop.          | <i>Toronto</i>               | Bank of Upper Canada.          |
| <i>Orleans</i>                 | Daguet, Sr. & Co.                   | <i>Toulon</i>                | M. Trabaud, Brothers.          |
| <i>Ostend</i>                  | F. A. Belleruche.                   | <i>Do.</i>                   | Crassous, Cadet & Son.         |
| <i>Palermo</i>                 | George Wood & Co.                   | <i>Toulouse</i>              | Courtois & Co.                 |
| <i>Paris</i>                   | Callaghan & Son.                    | <i>Do.</i>                   | Pascal, Solon & Co.            |



|                     |                                      |                  |                         |
|---------------------|--------------------------------------|------------------|-------------------------|
| <i>Tours</i>        | Gouin, Brothers.                     | <i>Valencia</i>  | White, Llano & Vague.   |
| <i>Treves</i>       | Reverchon & Co.                      | <i>Verona</i>    | J. Smania.              |
| <i>Triesle</i>      | J. Collioud.                         | <i>Vevey</i>     | Philippe Genton & Co.   |
| <i>Do.</i>          | Lang, Freeland & Co.                 | <i>Vienna</i>    | Arnstein & Eskeles.     |
| <i>Turin</i>        | Fs Long & Son.                       | <i>Vigo</i>      | Menendez & Barcena.     |
| <i>Do.</i>          | Nigra, Brothers.                     | <i>Warsaw</i>    | S. A. Fraenkel.         |
| <i>Utrecht</i>      | Vlaer & Kol.                         | <i>Weimar</i>    | Julius Elkan.           |
| <i>Valenciennes</i> | George Serret & Co.                  | <i>Wiesbaden</i> | Marcus Berle.           |
| <i>Venice</i>       | Holme & Co.                          | <i>Wurzburg</i>  | Gregon Ochninger.       |
| <i>Do.</i>          | Schielin, Brothers.                  | <i>Yverdon</i>   | Chs. Constancon & Son.  |
| <i>Do.</i>          | Tatam & Mudie, British<br>Consulate. | <i>Zante</i>     | Barff, Hancock & Co.    |
|                     |                                      | <i>Zurich</i>    | Gaspard Sculthess & Co. |

## SAVINGS' BANKS.

From the London Bankers' Magazine.

Savings' Banks are now regulated by the statutes 9 Geo. IV., c. 14; 5 and 6 Will. IV., c. 57; and 7 and 8 Vic., c. 83.

The amount allowed to be invested by any one depositor cannot exceed £30 in any one year, ending on the 20th November, nor more than £150 on the whole; when the sum amounts to £200 no interest is payable. The rate of interest payable to the trustees and managers is *£3 5s. per cent. per annum*, and that payable to depositors must not exceed *£3 0s. 10d. per cent. per annum*.

Trustees or treasurers of any charitable provident institution or society, or charitable donation, or bequest for the maintenance, education, or benefit of the poor, may invest sums not exceeding £100 per annum, and not exceeding £300, principal and interest included. Friendly societies, whose rules have been duly certified pursuant to the acts of Parliament relating thereto, may deposit the whole, or any part of their funds. The several provisions of these statutes, as far as they relate to the deposits and depositors, will be found in the rules of every Savings' Bank.

On the 20th November, 1844, there were 577 Savings Banks established in the United Kingdom, &c. viz.—504 in Great Britain, and 73 in Ireland; and the amount of deposits, including interest, was £29,504,864; the number of accounts open, 1,012,047, of which 564,642 were those of depositors under £20 each, the average amount be under £7, and the number of depositors exceeding £200 each was only 3044. If the number of friendly societies in direct account with the commissioners for the reduction of the national debt be added, the *gross total* will show the number of accounts to be *one million twelve thousand four hundred and seventy-five*, and the sum invested, *thirty-one million two hundred and seventy-five thousand six hundred and thirty-six pounds*.

Since the 20th November, 1844, 12 Savings' Banks have been established—viz. 9 in England; 2 in Scotland; and 1 in Ireland.

**Recapitulation of Savings' Banks in England, Scotland, Wales, and Ireland**

|                | Population.                     | No. of Savings' Banks. | No. of Accounts. | Amt. on Deposit.    |
|----------------|---------------------------------|------------------------|------------------|---------------------|
| England,       | 15,071,602                      | 445                    | 832,290          | £ 25,112,865        |
| Scotland,      | 2,628,957                       | 36                     | 69,824           | 1,043,183           |
| Wales,         | 911,321                         | 23                     | 18,699           | 599,796             |
| Ireland,       | 8,175,124                       | 73                     | 91,243           | 2,749,017           |
| <b>Totals.</b> | <b>26,787,004</b>               | <b>577</b>             | <b>1,012,047</b> | <b>£ 29,504,861</b> |
|                | Deposits in Friendly Societies, |                        | 428              | 1,770,775           |
|                |                                 |                        | <b>1,012,475</b> | <b>£ 31,275,636</b> |

The average amount on deposit in Savings' Banks for each inhabitant is for England, about thirty-three shillings sterling, Scotland, eight shillings, Wales, thirteen shillings, Ireland, six shillings.

## LEGAL MISCELLANY.

### BANKS.

- I. Acts incorporating Banks, Construction of, &c., generally, and in particular instances.
- II. Statutes respecting Banks and Bankers, and their Proceedings.
- III. Authority, &c. of Officers of Banks, and of the admissibility in Evidence, and the Effect, of their Declarations, &c.
- VI. By-laws and Customs of a Bank.
- V. Rights, Authority, and Liability of a Bank.
- VI. Stockholders' Rights and Liabilities.

#### I. Acts incorporating Banks, Construction of, &c. generally, and in particular instances.

1. A bank charter is a contract between the state and the stockholders, and no subsequent statute can impair its obligation. *Logwood v. Huntsville Bank*, Minor, 23. *State v. Tombeckbee Bank*, 2 Stew. 30.

2. Statutes establishing banks in Virginia are public laws, and to be noticed by the courts *ex officio*. *Stribbling v. Bank, &c.* 5 Rand. 132.

3. The statute authorizing the Bank of Utica to establish an office of discount, &c., at Canandaigua, being to extend the powers of the bank under its act of incorporation which was a public act, is also a public act, of which every person is to take notice. *Bank of Utica v. Magher*, 18 Johns. 341.

5. Where a charter incorporating a bank reserves for the use and benefit of the state, certain shares of the capital stock, to be subscribed for in such manner as the legislature may direct, and also provides that any director, &c., holding any shares therein, who shall commit any fraud, &c. shall be liable to prosecution by indictment in the name of the state; it is a public law, and must be judicially taken notice of. *Towson v. Havre de Grace Bank*, 6 Har. & J. 47.

8. The debtors of the State Bank of Illinois cannot object that the bank is unconstitutional. *Snyder v. State Bank*, 1 Breese, 122. See also *Lyon v. State Bank*, 1 Stew. 442.

9. A bank charter granted by the governor of one of the United States, reciting his authority, by the laws of that state, to make such grants, and authenticated by the great seal thereof, in the absence of proof that its laws did not warrant such an exercise of authority on the part of the governor, is sufficient evidence, *per se*, to prove the existence of such bank. *Agnew v. Bank of Gettysburg*, 2 Har. & Gill, 478.

10. A debt due to the State Bank of Illinois is due to the state, and the state can release it. *Ernst v. Ernst*, 1 Breese, 247. *Ernst v. State Bank*, 1 Breese, Appx. 31.

11. The statute incorporating the Bank of Columbia, which gives the bank a summary proceeding against its debtors, is constitutional. *Bank &c. v. Okely*, 4 Wheat. 235. It does not interfere with any legal defence the debtor may have against the claim. *Bank of Columbia v. Sweeney*, 2 Pet. 671. And this provision is repealable by the legislature. 4 Wheat. *ubi. sup.*

12. A bank incorporated with the privilege of creating a stock not less than one sum, nor greater than another, may commence business with the smaller capital, and afterwards increase it to the larger. *Grey v. Portland Bank*, 3 Mass. 364.

13. A provision in an act incorporating a bank, which requires the capital stock to consist of fifty thousand shares of ten dollars each, is not a condition precedent, and the bank may lawfully commence operations with a capital less than that number of shares. *Minor v. Mechanics Bank, &c.* 1 Pet. 46.

14. The act incorporating a bank appointed commissioners to receive subscriptions but did not provide for a surplus of subscriptions over the capital stock. They greatly exceeded this; and the commissioners subscribed largely for themselves, after this amount had been subscribed by others. They apportioned the stock, excluded the complainant and other subscribers, and allotted shares at discretion to themselves and others, without regard to the subscriptions. Held, the commissioners have, by implication, in the first instance, a power to remove the excess of subscriptions, but subject to supervision of law for fraud or error, for exceeding their authority or violating private rights. *Meads v. Walker*, 1 Hopk. 587.

15. The rule against a trustee's exercising his trust for his own benefit applies to the commissioners; as every subscriber gained a right by subscription and payment. *ib.*

16. Held that, the commissioners having allotted to themselves and their copartners about two-fifths of the capital stock, and wholly excluded the complainants, the distribution was wrong, though not fraudulent, and should be rectified. *ib.*

17. The privilege given to a bank, in its charter, to discount upon moneys deposited for safe keeping does not extend to special deposits. *Foster v. Essex Bank*, 17 Mass. 506.

18. The act incorporating the Bank of Kentucky provides that the bank shall receive money on deposit without being required to give a sealed obligation to repay it. This enactment creates a liability to the depositor by the act of depositing—an assumpsit in law implied from an act *in pais*. *Bank of Kentucky v. Wister*, 2 Pet. 324.

19. A bank that is prohibited, by its charter, from vesting, using, or improving any of its moneys, goods, &c., in trade or commerce, may nevertheless lawfully take notes payable in bills of other banks, and receive such bills at a discount in payment for their notes. *Portland Bank v. Storer*, 7 Mass. 433.

20. And may make loans in their own bills, on a contract that if any of the bills shall be returned during the continuance of the loan, the borrower shall redeem them with specie, and that he shall also receive of the bank a certain amount of the bills of other banks, for which he should pay specie. *Northampton Bank v. Allen*, 10 Mass. 284.

21. The Chenango Bank agreed with A, and his endorsers, to let them have \$5,000 in its bills, on their depositing \$2,000; they were to pay no interest so long as the bills were kept out, and were not to suffer, at any time, a greater number of the bills to return than the amount of the deposit, and were to have the money as long as they kept the exchange good. Each party had liberty to end the contract, by giving six months' notice; and if the exchange were not kept good, the bank might demand immediate payment. A gave the bank a note for \$5,000, with two endorsers payable in ninety days. In a suit on this note, it was held that the contract was not usurious; that the note was discounted by the bank, within the meaning of its act of incorporation; and that although, when the note fell due, none of the bills had been returned to the bank, and therefore nothing was due on the note, and more than six months had elapsed, yet the endorsers were not discharged, because they were estopped, by the agreement, to take such objection. *Bank of Chenango v. Curtiss*, 19 Johns. 326.

22. An act incorporating a banking company provided that if the corporation should refuse or neglect to pay their bills on demand, "their original stockholders, their successors, assigns, and the members of the corporation," should, in their private capacities, be liable to the holder. Held that, such only of the original stockholders, their successors, &c., as were members of the corporation, at the time payment was refused, were liable. *Bond v. Appleton*, 8 Mass. 472.

25. The act to incorporate the Utica Insurance Company, March, 1816, did not authorize the company to carry on banking operations. *People v. Utica Insurance Company*, 15 Johns. 358.

26. The act, incorporating the Manhattan Company, authorizing the employment of its surplus capital in the purchase of public or other stock, or in any other monied transactions not inconsistent with the constitution and laws of New York or of the United States, having been passed before any restraining act rendering banking illegal, if carried on by corporations not specially created for banking purposes, said company has the right of doing banking business, and is not affected by the restraining acts, the original act having never been repealed. *People v. Manhattan Company*, 9 Wend. 351.

27. The provision in the charter of Monmouth Bank that "no director shall be entitled to any emolument unless the same shall have been allowed by the stockholders at a general meeting," does not deprive the directors of compensation for services rendered while they are directors, if they are not rendered in their capacity as such. *Chandler v. Monmouth Bank*, 1 Green, 255.

28. By the charter of Brooklyn Bank, the commissioners were authorized, if there should be an excess of subscriptions, so to distribute the stock among the subscribers as should seem to the commissioners most advantageous to the institution. Those who should subscribe for twenty shares or more, were not to receive less than twenty, unless they, or those for a less number, should exceed the whole amount of stock; and no commissioner was to be allowed more than two hundred and fifty shares, if without it all the stock should be taken up. There was an excess of subscriptions; and it was held that the commissioners were authorized to take each two hun-

dred and fifty shares, and were not bound to give stock to every subscriber, and could not be compelled to make a rateable apportionment of the stock. *Clark v. Brooklyn Bank*, 1 Edw. Ch. 361.

29. Under the act incorporating the Bank of Niagara, the bank did not forfeit its charter by insolvency and closing its operations, if payment of its debts were resumed before prosecution. *Aliter*, if a prosecution were commenced before payment was resumed. *People v. Niagara Bank*, 6 Cow. 196.

30. Under the act incorporating Washington and Warren Bank, insolvency and refusal to pay its bills on demand were not, of themselves, ground for an information in the nature of *quo warranto*, or other process to oust the company of its corporate rights. *People v. Washington, &c. Bank*, 6 Cow. 211.

31. By the 10th section of that act, the holder of bills that the bank refuses to pay in specie may recover not only the principal sum due, with usual interest, but also ten per cent. per annum on the same principal, from the day of demand, till payment. *Wendell v. Washington, &c. Bank*, 5 Cow. 161.

32. The provision in the Pennsylvania statute of March, 1813, that no stockholder of either of the banks incorporated thereby, indebted to such institution, should be authorized to make a transfer, or receive a dividend, till such debt shall have been discharged, embraces notes discounted by the bank, and is not confined to debts on account of original subscription to the bank. *Rogers v. Huntingdon Bank*, 12 S. & R. 77.

33. The word *indebted*, in this article, includes the case of a note discounted at the bank, but not actually *due* at the time the transfer is applied for. *Grant v. Mechanics' Bank*, 15 S. & R. 140. *S. P. Sewall v. Lancaster Bank*, 17 S. & R. 285.

34. Acts which provide that no transfer of bank stock shall be valid or effectual until it is registered in a book of the bank to be kept for that purpose, and that debts of the vendor, due to the bank, shall be first paid, were intended merely for the protection of the Banks—to give them a lien, and enable them to know to whom dividends are due. A transfer of stock is valid, between vendor and vendee, though not thus registered; but until registry, a bank, it seems, would be protected in paying dividends to him in whose name the stock stands on the books, though it had been secretly transferred. *Bank of Utica v. Smalley*, 2 Cow. 770.

35. The charter of the Union Bank of Georgetown provided that shares should be transferable only on the books of the bank, according to the rules to be established, conformably to law, by the president and directors, and that all debts due and payable to the bank, by a stockholder, must be satisfied before the transfer should be made, unless the president and directors should order to the contrary. Held that a legal title to shares could not be acquired, except by a regular transfer, according to the rules of the bank, and that, if an equitable assignment were made, it must be subject to the rights of the bank, under the charter, of which the assignee is bound to take notice. *Union Bank v. Laird*, 2 Wheat. 390.

36. Under the act establishing the Chenango Bank, which imposes a penalty of 14 per cent. until tender, for refusing payment of its notes, it was held that payment must be made within a reasonable time after demand, according to circumstances; that a sum of ordinary magnitude should be paid at least during the day of demand; that the officers must employ themselves diligently, in paying, in the order of time that demands are made; that the bank cannot, at its option, pay in small pieces when it has large in its vault, thus causing delay; that it should keep money count-

ed out, or servants sufficient to count it out in a reasonable time, and that unreasonable delay was refusal to pay, and subjected the bank to said penalty. *Hubbard v. Chenango Bank*, 8 Cow. 88. See 3 Mason, 1.

37. Tender at the banking-house, without notice to the creditor, will prevent the running of the 14 per cent.; but it must be not only of the principal sum, but also of the 14 per cent. between the refusal and tender. *ib.*

38. Before the passing of the Massachusetts statute of 1816, chapter 91, there was nothing in the charters of the banks of that state which prohibited them from issuing drafts on a bank in another state, where they had funds deposited, for small sums, with the intention of their being circulated as bank bills. *King v. Dedham Bank*, 15 Mass. 447. See *Post* 63.

40. Where a new bank was incorporated with the same name as an old one, whose charter was expiring, the new bank was held not to be responsible for the notes of the old, though a major part of the stockholders were the same in each. *Bellows v. Hallowell, &c. Bank*, 2 Mason, 31. See also 14 Mass. 58.

41. Under an act authorizing a bank to hold as much real property as may be requisite for its immediate accommodation, in relation to the convenient transaction of its business, and no more, the bank may purchase more ground than is necessary for the erection of a banking-house, build fire-proof houses on the vacant land for the greater security of the banking-house, and sell them out to third persons. *Banks v. Poitiaux*, 3 Rand. 136.

42. Even if the bank violated its charter in so doing, the only proceeding against it would be by *quo warranto*; and the purchasers of the houses cannot resist a specific performance of their contracts, by alleging that the bank had exceeded its powers, in erecting and selling them. *ib.* See also 16 Mass. 102. See *vide* 2 Cranch, 123. 15 Johns. 358. 5 Conn. 560. 2 Cow. 699.

43. Authority given to a bank, by its charter, to take real estate in payment of its debts, either by conveyance or purchase under judgments in its favor, seems to include the power of selling or conveying the same. *Jackson v. Brown*, 5 Wend. 590.

44. Authority, so conferred, to convey real estate, enables the bank to pledge it by mortgage to secure the payment of its debts. *ib.*

46. The charter of the Bank of North America authorized the bank to have, hold, purchase, and retain lands, &c., and to sell them, "provided that such lands, which the said corporation are hereby enabled to *purchase and hold*, shall extend to only lots, &c., necessary for the business of the bank." Held that the bank might *purchase* land in a distant county, though it could retain only an estate defeasible by the commonwealth. *Leazure v. Hillegas*, 7 S. & R. 313.

47. Where the charter of a bank authorized it to hold "such lands as were *bona fide* mortgaged or conveyed to it in satisfaction of the debts previously contracted in the course of its dealings," it was held that the intention was only to restrict the right to cases where the loan should be real and not merely colorable; and that where the transaction was fair on the part of the debtor, the circumstance of the bargain having been prudent or otherwise, on the part of the bank, did not affect its validity. *Baird v. Bank of Washington*, 11 S. & R. 411. It seems that even if the bank had not the right to hold the property as against the state, the acquittance of the debt would not be void, and that a conveyance made with a view not to permanent ownership by the corporation, but with a view of raising money by a sale of the property, would not be in violation of the charter. *ib.*

48. Where, by the charter of a bank, the directors were to be chosen annually, and they, "for the time being, have power to appoint a cashier, and such other officers under them, as may be necessary for executing the business of said corporation," a cashier so appointed is an officer of the corporation, the duration of whose office, in the absence of an express limitation, is limited only by the duration of the charter; but he is liable to be removed by the directors as occasion may require, and is not necessarily an annual officer. *Union Bank of Maryland v. Ridgely*, 1 Har. & Gill, 324. S. P. *Dedham Bank v. Chickering*, 3 Pick 341.

49. To sustain a judgment on notes recovered by the Huntsville Bank, or the Tombeckbee Bank, *on motion*, pursuant to the provisions in their respective charters, the record must show that the certificate of the president was produced, stating that the bank was the owner of the notes. *Logwood v. Huntsville Bank*, Minor 23. *Duncan v. Tombeckbee Bank*, 4 Porter, 181.

50. Filing a declaration, in such case, is unnecessary, and does not so alter the proceeding, as to dispense with the necessity of the certificate. 4 Porter, 181. *Lyon v. State Bank*, 1 Stew. 442.

57. The act establishing the Bank of the Commonwealth of Kentucky is not repugnant to the constitution of the United States. *Lampton v. Bank, &c.* 2 Litt. 300. *Briscoe v. Bank, &c.* 7. J. J. Marsh. 349.

58. The Bank of Zanesville has, by its charter, a lien on the stock of its debtors, though their notes have not come to maturity; and the lien ought not to be relinquished without an indemnity. *Downer v. Bank of Zanesville*, Wright, 477.

## II. Statutes respecting Banks and Bankers, and their Proceedings.

59. The New York statute of April, 1825, was wholly prospective as to forfeitures, &c., but not exclusively so as to the remedy. *People v. Niagara Bank*, 6 Cow. 196. *People v. Washington, &c. Bank*, 6 Cow. 211.

60. It is not a violation of the New York statute of April, 1818, for an incorporated bank in another state to lend money, and take a mortgage for security in New York. *Silver Lake Bank v. North*, 4 Johns. Ch. 370.

61. Prior to the restraining statute, the right of banking was a common law right of individuals; but subsequently it is a franchise derived from the legislature. *Attorney General v. Utica Ins. Co.* 2 Johns. Ch. 377. S. P. 15 Johns. 358.

62. The Massachusetts statute of 1812, c. 57, which prohibited banks, after the expiration of their charters, from issuing or putting into circulation any securities for money, did not extend to the assignment of a note for the purpose of paying a debt owed by the bank before the charter expired; no new obligation being contracted by the bank. *Hallowell, &c. Bank v. Hamlin*, 14 Mass. 178.

63. The statute of 1816, c. 91, section 2, so far as it enacted that every bank, which *had issued* any bill, &c. payable at any other place than where the bank was established by law and kept, should be liable to pay the same on demand at said bank, without a previous demand at the place where it might, on its face, be made payable, was inoperative, and not binding, on the parties to such bills, &c. nor on the courts. *King v. Dedham Bank*, 15 Mass. 447. See *Ante*, 38.

64. The statute of 1809, c. 38, imposing (prospectively) a penalty of two per cent. a month on the amount of bank notes, which the bank issuing them should refuse or neglect to pay on demand, was held to be constitutional and valid. *Brown v. Penobscot Bank*, 8 Mass. 445.

65. Tender after action brought to recover such penalty will stop the running of the twenty-four per cent. interest. *Suffolk Bank v. Worcester Bank*, 5 Pick. 106.

66. Under the New York statute, a tender, to avoid the running of penal interest, after refusal to pay, must be personal: tender at the bank, in the creditor's absence, is not sufficient. *Hubbard v. Chenango Bank*, 8 Cow. 88.

67. A bank was incorporated for twenty years, and before that time had expired, a statute was passed by which all corporations then existing, &c. whose powers would cease at a given time, were continued corporate bodies for three years after their powers would otherwise cease, for the purpose of prosecuting and defending all suits that then were or thereafter might be commenced, &c. but not for the purpose of continuing the business for which they were established. This statute was held to be constitutional, and the bank was held to answer, after the twenty years had elapsed, to an action previously pending. *Foster v. Essex Bank*, 16 Mass. 245.

68. So a state may revive a bank charter which has expired, without creating a new corporation, and the revived corporation may maintain a suit commenced after the passing of the reviving act. *Lincoln, &c. Bank v. Richardson*, 1 Greenl. 79.

69. The New York statute "to restrain unincorporated banking associations" does not apply to an individual who does banking business alone and on his own credit only. *Bristol v. Barker*, 14 Johns. 205.

70. But an insurance company, not being authorized by law to become proprietors of any bank or fund, for the purpose of issuing notes, receiving deposits, making discounts or transacting any other business, which incorporated banks may lawfully do, any note discounted by them, or security taken for money lent, &c. is void within the meaning of that statute. *Utica Ins. Co. v. Scott*, 19 Johns. 1. *Same v. Cadwell*, 3 Wend. 296. *Same v. Hunt*, 1 Wend. 56.

71. But as the lending of money is not declared void, money lent by such company may be recovered, though the security is void. *Utica Ins. Co. v. Kip*, 8 Cow. 20. 19 Johns. 7.

72. Carrying on banking operations contrary to the statute, is not such a mischief or nuisance that the chancellor would grant an injunction to restrain it, even though he had general jurisdiction over public nuisances. *Attorney General v. Utica Ins. Co.* 2 Johns. ch. 377. *Att. Gen. v. Bank*, 1 Hopk. 354.

73. Though the Virginia act of February, 1816, respecting unchartered banks, was suspended by the acts of November, 1816, yet the act of 1805 remained in force: therefore no action can be brought by an unchartered bank on a bond given for notes issued by such bank. *Wilson v. Spencer*, 1 Rand. 76.

74. Under the Ohio statute, which authorizes a joint action against the maker and endorsers of a note, where banks and bankers are parties, it was held, in a case where one of the endorsers was dead when the action was commenced, and the maker died insolvent after judgment, that the bank could not ask the aid of equity against the maker's administrator, until it had made use of all legal remedies against the other endorser, &c. *Bank of Chillicothe v. Yoe*, 4 Ham. 125.

75. Under a statute of New York, which contained a provision, as to a particular bank, like that in the general statute of Ohio, it was held that a declaration against the maker and endorser jointly, as if they were joint makers, was good, and that the note might be given in evidence under such a count; but that such note could not be given in evidence under the money



counts, were the maker and endorser were joined. *Bank of Chenango v. Curtiss*, 19 Johns. 326.

76. The Pennsylvania statute of April, 1822, which restored banks that had forfeited their charters, was constitutional and legalized notes taken by them after forfeiture; it also extended to actions pending when it was enacted. *Bleakney v. Farmers' &c. Bank*, 17 S. & R. 64.

77. The statute of 1814, which exacts a duty of eight per cent. on bank dividends, on penalty of forfeiture of the charter, does not prevent the state from recovering the duty, in a suit against a bank, after its charter has been declared to be forfeited for non-payment. *Commonwealth v. Huntingdon Bank*, 2 Pennsylv. 438.

78. Under statute of 1814, art. 11, providing that no stockholder indebted to a bank shall make a transfer or receive a dividend until the debt is discharged, or satisfactory security is given for it, the bank has a lien on stock (though levied on by a judgment creditor) for notes made before, though falling due after, the levy, and though the notes have been renewed. *Se-wall v. Lancaster Bank*, 17 S. & R. 285.

79. And the bank may hold the whole of its debtor's stock till the debt is paid, though the debt be less than the value of the stock; not being obliged to appropriate a part and transfer the rest. *ib.*

80. The statute of 1810, prohibiting all existing unincorporated banking companies from doing banking business, was constitutional and valid. *Myers v. Irwin*, 2 S. & R. 368. See 4 Binn. 418, *White v. Commonwealth*.

81. The Kentucky statute of 1819, authorizing banks, other than those where notes are made payable, to discount notes negotiable and payable at any bank, though retrospective, is not unconstitutional. *Taylor v. Farmer's &c. Bank*, 4 Litt. 342.

82. The New York statute of April, 1816, which provided that all bills, notes, or tickets, in the form and similitude of bank bills or notes, issued by any person, and made payable in the bills or current notes of any incorporated company, might be sued (in case of default of payment according to their tenor) and collected by and in the name of the holder, was held to extend to a bill or note in the form and similitude of bank bills, payable on demand in notes current at the Bank of Albany, or in current bank bills; and such bill or note might be given in evidence under the money counts, in a suit by the holder against the maker, after demand of payment. *Throop v. Cheeseman*, 16 Johns. 264.

83. The remedy given by this statute extended as well to notes issued and bearing date before, as to those dated after the passing thereof. *ib.*

84. By the statute authorising the Bank of Utica to establish an office of discount and deposit at Canandaigua, and requiring all notes issued at such branch at C. to be countersigned by the cashier, and declaring that the same should be considered as payable on demand at such branch at C., the holder of a note of the Bank of Utica, so countersigned and issued, cannot maintain an action upon it against the Bank of Utica, without having previously demanded payment of it at the branch at C. A demand of payment at the Utica Bank only is not sufficient. *Bank of Utica v. Magher*, 18 Johns. 341.

85. A note of the Utica Bank on which is written, "Countersigned, O. Seymour," is countersigned within the meaning of the act; for it is not necessary, to give the note validity, that he should add to his name his official character of cashier at C. The presumption in a such a case is, that the countersigning is official; and if there be any ambiguity on the face of the note, it may be explained by parol. *ib.*

86. The 10th article of the constitution of Indiana, which provides that

the Bank of Vincennes shall be considered as an incorporated bank, gives no new powers or privileges to that bank, but merely continues it under the state government, as it was under that of the territory. *State Bank v. State*, 1 Blackf. 270.

87. An individual keeping an office of deposit to discount notes is within the New York statute against private banking. So of keeping an office for carrying on any other single banking operation. *People v. Bartow*, 6 Cow. 290.

88. But the statute does not preclude individuals and corporations, if otherwise authorized, from lending their money on promissory notes by way of discount or otherwise; the keeping of an office of deposit, for the purpose of carrying on banking, was the evil which the statute was intended to prevent. *People v. Brewster*, 4 Wend. 498.

89. The Pennsylvania statute of March, 1808, which enacted that members of banking associations thereafter formed should be individually liable for the debts of the association, was not an implied incorporation of banking companies afterwards formed. *Myers v. Irwin*, 2 S. & R. 368.

90. The statute of March, 1814, enacted that all notes issued by unincorporated banking companies should be void, and not recoverable. The statute of March, 1817, repealed so much of the former act as prevented the holders of such notes from receiving against the drawers. Held, that the holder of such note issued after the former act, and before the latter, might recover against the members of the company. *Hess v. Werts*, 4 S. & R. 356.

91. Though such notes were by their terms payable "out of the joint funds according to the articles of association," yet the members were liable in their separate property. *ib.*

92. The Massachusetts statute of 1809, c. 38, (which made penal the receiving as a deposit, or in other way negotiating, loaning, or passing payment, by any banking corporation, of the bank bills or notes of any banking company not incorporated by the legislature of Massachusetts, except the bills of the United States Bank,) rendered void any note made payable to a bank in such prohibited bills; and the subsequent repeal of the statute did not purge the illegality of the contract. *Springfield Bank v. Merrick*, 14 Mass. 322.

93. Banks of other states are within the restraining statutes of New York, and cannot recover, in that state, the amount of a check discounted by them in violation of those statutes. *Pennington v. Townsend*, 7 Wend. 276.

94. The New York statute of "April, 1825, to prevent fraudulent bankruptcies by incorporated companies, and to facilitate proceedings against them," is constitutional, even as it respects previously incorporated companies. *Bank of Columbia v. Attorney General*, 3 Wend. 588. *People v. Tibbets*, 4 Cow. 384.

95. The 10th section of that statute applies to an information in nature of a *quo warranto*, which the attorney general had moved to file before the statute was passed, but which the court did not give leave to file till after its passage; the statute altering the form of a remedy merely, though it hastens the time of trial. 4 Cow. *ubi sup.*

96. Under that section of the statute, the court will make a rule for the defendant to appear, as well as to plead within a certain time, without process, on giving leave to file an information under the 9th section. *ib.*

97. The lien of a bank upon the stock of its debtor, by virtue of the Pennsylvania statute of March 21, 1814, operates for the benefit of the debtor's surety; and therefore, if the bank permit such stock to be sold, and the proceeds to be applied to discharge a debt due to the bank by the same debtor on a note of a subsequent date, the surety in the previous case will thereby be discharged. *Kuhns v. Westmoreland Bank*, 2 Watts. 136.

### III. *Authority, &c. of Officers of Banks, and of the Admissibility in Evidence, and the Effect, of their Declarations, &c.*

98. Where one was elected to be an officer of a banking corporation by the body in which the right to elect was vested, but by a less number than the charter required, it was held that he was an officer *de facto*, and that his acts were good, at least as respected third persons. *Baird v. Bank of Washington*, 11 S. & R. 411. See 7 Cow. 530, note.

99. Although, as between the corporation and the individual, a bank director has no right to vote in a matter in which his interest is concerned, yet as respects the *bona fide* contracts of third persons, such vote would be valid. *ib.*

100. Neither a cashier nor a depositor has any lien on the funds of an insolvent bank for salary or deposits, but must come in as ordinary creditors, under the New York statute. *Bruyn v. Receiver, &c.* 9 Cow. 413, note.

101. The president of a bank may transfer, by his endorsement, a note made, &c. to the corporation, if he has a general authority for that purpose from the directors; and the seal of the corporation need not be affixed to the transfer, nor a particular vote therefor be passed on the subject. *Spear v. Ladd*, 11 Mass. 94. *Northampton Bank v. Pepoon*, 11 Mass. 288.

102. The directors have authority to control all the property of the bank; and they may authorize one of their number to assign any securities belonging to the corporation. A blank endorsement, in pursuance of such authority, by the person so authorized, is sufficient to transfer a note; and the endorsement may be properly filled at the bar. 11 Mass. 288.

103. A parol agreement made by the directors does not bind the corporation. *Hughes v. Bank of Somersett*, 5 Litt. 45.

104. The directors have power to authorize the president and cashier to borrow money or obtain discounts for the use of the bank. *Ridgway v. Farmers' Bank*, 12 S. & R. 256.

105. The holder of a draft drawn by the president of a bank who has authority for the purpose, cannot be affected by fraud or collusion between the drawer and endorser, if he has obtained the bill for value *bona fide*, and in the course of business. *ib.*

106. The president of a bank incorporated by the Pennsylvania general statute of 1814, is not thereby empowered to raise money by drafts on the bank, and he cannot acquire such authority from a resolve of the directors authorizing him and the cashier to borrow money, &c. If, however, both agree on the plan of borrowing money, it is unnecessary that both should sign the papers to carry it into effect. *ib.*

107. The officers of a bank are held out to the public as having authority to act according to the general usage, practice, and course of their business, and their acts, within the scope of such usage, practice, and course of business, will in general bind the bank in favor of third persons possessing no other knowledge. *Minor v. Mechanics' Bank of Alexandria*, 1 Pet. 46.

109. The cashier of the bank of Kentucky has no authority, *ex officio*, to accept bills of exchange. *Pendleton v. Bank*, 1 Monr. 179.

110. The cashier of a bank cannot assign notes belonging to it unless authorized by the bank, or by the directors, pursuant to powers vested in them. *Hartford Bank v. Barry*, 17 Mass. 94.

111. But his endorsement of such notes would authorize the holders to deliver them to the makers or endorsers who should pay them; and payment to the holders would be a discharge. *ib.*

112. A cashier has *prima facie* authority to endorse, on behalf of the

bank, securities held by it, and any restriction on this authority must be proved by the party contesting it.<sup>1</sup> *Wild v. Passamaquoddy Bank*, 3 Mason, 505. *Fleckner v. United States Bank*, 8 Wheat. 357.

113. It is the duty of the cashier of a bank to be sworn before he enters upon the duties of his office; his neglecting to perform that duty will not vitiate his bond, but ought rather to be considered as a breach of it. *Bank of Elizabeth v. Chetwood*, 3 Halst. 1.

114. It seems that an officer of a bank, who has unfaithfully managee its funds, so as to render it insolvent, is liable to the corporation, but not to the holders of its notes. *Hindsdale v. Larned*, 16 Mass. 70.

115. A board of directors has no right to pass a resolution excluding one of its members from an inspection of its books, though they deem him hostile to its interests; and a *mandamus* will lie, commanding that the books be submitted to his examination. *People v. Throop*, 12 Wend. 183.

116. Where the cashier had refused a director permission to inspect the books, and his refusal had been approved by the board of directors, the *mandamus* was directed to the cashier alone, though the directors had been served with notice. *ib.*

117. A clerk in the bank, who acted as a book-keeper, and whose particular duty it was to keep the ledger, into which the entries are copied from the teller's cash-book, received money from A, who was a dealer with the bank, for the purpose of having the same deposited in the bank, and which he entered in the ledger, and afterwards into the dealer's bank-book, but which was not received by the teller, nor entered in his cash-book, and was supposed to be embezzled with other moneys by the clerk, who absconded. It was held that the clerk, in making the deposit, was the agent of A, and not of the bank; and that A must be answerable for the *deficit* in the deposit. *Manhattan Company v. Lydig*, 4 Johns. 377.

118. Whether due diligence was used by the bank to detect the fraud of the clerk, is a question of law. If the bank take the usual and customary mode to detect the frauds or mistakes of its clerks, it will be sufficient evidence of due diligence. *ib.*

119. If a dealer with the bank send his bank-book, with money to be deposited, and the clerk enter the amount to his credit, in the bank-book at the time the deposit is made, it is conclusive on the bank. *Aliter*, if the deposit is first made, and the entry is afterwards copied from the ledger into the dealer's bank-book. *ib.*

120. An entry by a teller or clerk of a bank of the amount of a deposit in the bank-book of a dealer with the bank, being the act only of the agent of the bank, and not of both parties, is not conclusive. If, therefore, the dealer can, afterwards, prove that there was a mistake in the entry, he may recover, in an action for money had and received, the sum not credited. *Mechanics & Farmers' Bank v. Smith*, 19 Johns. 115.

121. The authority of officers of banks is restricted to such modes of binding the company as result from the nature of their duty and the powers vested in them by their offices. The property of stockholders is not bound by their irregular transactions, or by the declarations or confessions of their officers, beyond the legal sphere of their action. *Wyman v. Hollowell, &c. Bank*, 14 Mass. 62. 17 Mass. 29.

122. Hence, if a banking company, incorporated by the same name of a former one, appoint the same president and cashier, and the officers receive and issue the notes of the former company, and declare that there is no difference between the notes thus issued and those of the new company, the new company, never having authorized these proceedings, are not liable to pay such notes. 14. Mass. 62. See also *Bellows v. Hollowell, &c. Bank*, 2 Mason, 31.

123. Where the bills of a bank, after being prepared by the cashier for the president's signature, were stolen, and a forged signature of the president added, the bank was held not to be liable to pay a *bona fide* holder, on the ground that the cashier had declared them to be genuine, nor by reason of the negligence of the directors in so keeping the paper prepared for signature. *Salem Bank v. Gloucester Bank*, 17 Mass. 1.

124. Where the officers of a bank have been in the practice of receiving money and other things to be deposited in its vault for safe keeping, the corporation, and not the officers, will be considered as the depository. *Foster v. Essex Bank*, 17 Mass. 498.

125. A subsequent board of directors of a bank is to be considered as knowing all the circumstances communicated or known to a previous board. *Mechanics' Bank of Alexandria v. Seton*, 1 Pet. 309.

126. In an action by a bank, evidence of parol declarations of "the officers of the bank" is not admissible for the defendant, without proof of the particular officers being authorized by the board of directors to speak for them, even though it should appear that the board of directors kept no minutes of their transactions. *Stewart v. Huntingdon Bank*, 11 S. & R. 267.

127. In an action by a banking company on a promissory note against the endorser, on the plea of payment, a receipt signed by the president of the bank (though not *as such*) for money to be deposited in the bank to the credit of *A*, who was the original debtor, is evidence—but not conclusive—against the plaintiffs, although notice had not been given previous to the trial. *Sterling v. Marietta Co.* 11 S. & R. 179.

128. Declarations by a person who had been president of the bank, respecting payments made on a note, are not evidence in an action by the bank upon the note. *ib.*

#### IV. By-laws and Customs of a Bank.

129. Though an incorporated bank be authorized to make by-laws, rules and regulations, &c. such by-laws and rules cannot affect the rights or interests of third persons. A by-law, or rule, therefore, of a bank, that all payments made and received must be examined at the time, does not prevent a party dealing with the bank, from showing, afterwards, that there was a mistake in his account of deposits and receipts. *Farmers & Mechanics' Bank v. Smith*, 19 Johns. 115.

130. A custom of banks not to correct mistakes in the receipt or payment of money, unless discovered before the person leaves the room, is illegal and void. *Gallatin v. Bradford*, 1 Bibb, 209.

131. A custom among banks of sending bills and notes from one to the other for collection, and of passing the avails, when paid, to the credit of the bank so sending it, and to the debt of the bank receiving it, cannot effect a claim of a third person to the avails of a bill which he has committed to one of them for collection. *Lawrence v. Stonnington Bank*, 6 Conn. 521.

133. In Delaware, a by-law giving a lien on stock for the debts of the holder, is held to be valid. *M'Dowell v. Bank of Wilmington, &c.* 1 Har. & Cr. 27.

134. A custom of a bank brought home to a party dealing with the corporation, enters into the essence of the contract, becomes a constituent part of it, and must have its due weight in the exposition of it. *Bank of Columbia v. Magruder*, 6 Har. & J. 180.

135. A stockholder who borrows money of the bank with full knowledge of a usage not to permit a transfer of stock while the holder is indebted to

the bank, is bound by such usage; and neither he nor his assignees, under a voluntary general assignment, can maintain an action against the bank for refusing to permit his stock to be transferred. *Morgan v. Bank of N. America*, 8 S. & R. 73.

137. Where a bank has established usages and by-laws, respecting demands on makers of promissory notes and notices to endorsers thereof, the dealings and contracts of persons doing business with such company are to be understood and enforced according to such usages and by-laws. *Lincoln and Kennebec Bank v. Page*, 6 Mass. 155. *Same v. Hammatt*, ib. 159. *Smith v. Whiting*, 12 Mass. 8.

138. The usages of a bank, at which parties are accustomed to transact business, concerning demand and notice on notes, &c. are given in evidence, not as rules of judicial decision, but as evidence of the contract of the parties, and their assent to usages, and of their waving their strictly legal claims. *ib. Blanchard v. Hilliard*, 11 Mass. 88. *Jones v. Fales*, 4 Mass. 252. *Widgery v. Monroe*, 6 Mass. 450. *Renner v. Bank of Columbia*, 9 Wheat. 585. *Yeaton v. Bank of Alexandria*, 5 Cranch, 52. *Bank of Columbia v. Fitzhugh*, 1 Har. & Gill, 239. *Hartford Bank v. Stedman*, 3 Conn. 489.

139. Thus an endorser of a note, negotiated or made payable at a bank, is held to pay it, if notice be given to and demand made of the maker on the day before or the day after it falls due, or on the first day of grace, &c. and proper notice to himself of the maker's default, according to the established custom of the bank. *ib. City Bank v. Cutter*, 3 Pick. 414. *Bank of Columbia v. Magruder*, 6 Har. & J. 172.

140. So an established custom that notice, &c. to directors of a bank shall be left on the cashier's desk, is binding on the directors whose notes come into the bank. *Weld v. Gorham*, 10 Mass. 366.

141. So of a custom to make demand of the maker of a note lodged in a bank, without presenting the note to him. *Whitwell v. Johnson*, 17 Mass. 452. *City Bank v. Cutter*, 3 Pick. 414. S. P. *Pearson v. Bank of Metropolis*, 1 Pet. 93. *Raborg v. Bank of Columbia*, 1 Har. & Gill, 231.

142. In all these cases, a knowledge, express or implied, of the usage, must be brought home to the party who is to be affected by it. *Pierce v. Butler*, 14 Mass. 303. 11 Wheat. 431.

143. In *Mills v. Bank of U. S.* 11 Wheat. 431, the parties were not acquainted with the usage of the bank; but as the note was made payable at the bank, it was held that the parties were bound to know its usages, and had impliedly agreed that those usages should become a part of their contract.

144. And this doctrine was afterwards held to be applicable to the parties to a bill of exchange drawn on a person at Washington, on the ground that the bill would probably be put into bank there for collection. *Bank of Washington v. Triplett*, 1 Pet. 25. See also *Whitwell v. Johnson*, 17 Mass. 452.

#### V. Rights, Authority, and Liability of a Bank.

147. By making a note negotiable at bank, the maker authorizes the bank to advance on his credit, to the holder, the sum expressed in the note; and it would be a fraud on the bank to attempt a set-off against the note on account of transactions between the maker and the holder. *Mandeville v. Union Bank, &c.* 9 Cranch, 9.

148. A bank is liable to an action for wrongfully refusing to transfer shares; and the measure of damages is the value of the shares at the time of the refusal, with interest to the time of the rendition of judgment. *Hussey v. M. & M. Bank*, 10 Pick. 415. See also, 10 Johns. 485. 3 Mass. 364.

149. Where the owner of shares assigned them to two persons, and gave a power of attorney to one of them to transfer them on the books of the bank, the power was held to be valid, whether the power authorized the transfer to be made to both assignees, or to the attorney alone; and the bank was held not to be liable for refusing to transfer the shares to a subsequent attaching creditor, who sold them on execution. *Plymouth Bank v. Bank of Norfolk*, 10 Pick. 454.

150. A bank of another state may maintain an action against its debtor in the courts of Virginia; but cannot enforce a *primary* contract made in Virginia, as by discounting notes or otherwise. *Bank of Marietta v. Pindall*, 2 Rand. 465. See 4 Johns. Ch. 370.

151. A bank may authorize an agent by vote of the directors, without affixing the corporate seal to his authority. *Fleckner v. Bank of the United States*, 8 Wheat. 537.

152. Where a bank paid notes on which the president's name was forged, and did not return them till fifteen days afterwards, it was held that it had lost its remedy against the person from whom the notes were received. *Gloucester Bank v. Salem Bank*, 17 Mass. 33.

153. Where gold coins, deposited in a bank for safe keeping, are fraudulently taken away by the cashier, the bank is not answerable to the owner, unless gross negligence is proved. *Foster v. Essex Bank*, 17 Mass. 479.

154. A bank is bound to exhibit its books to a depositor, on proper occasions, and the officers having charge of them are, *quoad hoc*, the agents of both parties. *Union Bank v. Knapp*, 3 Pick. 96.

155. A bank is, in New York, legally bound to take its own bills in payment of debts due to it. Per *Woodworth, J. Niagara Bank v. Roosevelt*, 9 Cow. 409. *Aliter*, in Massachusetts. 13 Mass. 236. See also *Tillou v. Britton*, 4 Halst. 120.

156. In Ohio, if a bank has *bona fide* parted with all interest in a debt due to it, the debtor cannot pay the assignee in the paper of the bank. *Pancoast v. Ruffin*, 1 Ham. 381. *S. P. Hallowell, &c. Bank v. Howard*, 13 Mass. 235.

157. In New York, a set-off existing against a bank when it stops payment is allowable, though the debt of the bank becomes due afterwards; and bills of an insolvent bank are allowable in set-off against the bank. *Bruyn v. Receiver, &c.* 9 Cow. 413, *note*.

158. In an action by the receivers of a bank, appointed under the statute of 1825, to "prevent fraudulent bankruptcies by incorporated companies," &c. to recover a note discounted at the bank, and falling due after the receivers are appointed, the notes of the same bank, received by the defendant before his note fell due, cannot be set off, though he seasonably tendered them in payment. *Haxton v. Bishop*, 3 Wend. 13. See also *Bruyn v. Receiver, &c.* 9 Cow. 413, *note*.

159. Receivers are trustees for the creditors of the bank, and not for the bank; and their appointment and possession of notes due to the bank is an assignment of the notes for the benefit of all the creditors; and the receivers may maintain an action in their proper names, as endorsers, without specifying their capacity as receivers, on a note belonging to the bank, and endorsed in blank. 3 Wend. 13.

160. An assignment of its property by a bank, after it has stopped payment, to persons not officers or stockholders, in trust to apply the proceeds to the payment of all its creditors in equal proportions, is valid; and its notes, purchased by a debtor after such assignment, cannot be set off in an action against him. *ib.*

161. The mere insolvency of a bank, incorporated with the usual powers of such an institution, does not convert its effects into a trust fund for its creditors. *Catlin v. Eagle Bank*, 6 Conn. 231.

162. Therefore where the Eagle Bank of New Haven became insolvent, and the directors afterwards mortgaged its real estate, assigned sundry promissory notes, and paid a sum of money to the Savings Bank in security and payment of a debt due to it for monies deposited, it was held that a bill in chancery, brought by another creditor of the Eagle Bank to have these conveyances set aside, and all the funds of the bank distributed ratably among the creditors, could not be sustained. *ib.*

163. In a proceeding, under the New York statute aforesaid, by the attorney general, the fact of the bank's insolvency will be considered as proved, within the meaning of the statute, if, in the information filed, facts and circumstances are stated, verified by affidavit expressing belief that those facts are true, and they are of such a character as to raise a fair presumption that the bank is insolvent, and are not contradicted nor explained by the bank, on motion for the appointment of a receiver, after due notice. *Bank of Columbia v. Attorney General*, 3 Wend. 588. 1 Paige, 511. See 1 Hopk. 596.

164. A receiver may be appointed by the chancellor in the first instance, without a reference to a master, &c. and direction to a master not to take a nomination of any person as a receiver, who was an officer or agent of the bank within six months previous to, or at the time of its stopping payment, is discreet and proper. *ib.*

165. The receivers may maintain an action, in the name of the bank, against one of its directors for the penalty incurred by paying out a portion of the capital stock to a stockholder, though it appear on the pleadings that the bank had been insolvent for a year, had during that time neglected to redeem its bills, and had suspended its ordinary business; but the declaration must aver that the suit is prosecuted by direction of the receivers *Bank of Niagara v. Johnson*, 8 Wend. 645.

166. Such suit may be brought in the name of the corporation, although the statute declares that any company violating its provisions shall be deemed and adjudged to have surrendered its rights, &c. and to be dissolved. Under the revised statutes, receivers may bring actions in their own names. *ib.*

167. The corporate rights of a bank may be forfeited by nonuser or misuser, and an information in the nature of a *quo warranto* against a bank, seeking to take away its franchise on the ground of such forfeiture, may be against the bank in its corporate name; and the judgment is a judgment of seizure. *People v. Hudson Bank*, 6 Cow. 217. *People v. Niagara Bank*, 6 Cow. 196.

168. Where a bank becomes insolvent, and assigns so much of its property to trustees for payment of its debts as to prevent its resuming banking business, it is equivalent to a surrender of its corporate rights; such act destroying the end and object for which the bank was instituted. 6 Cow. 217.

169. Such assignment may be alleged by the attorney general, on an information in the nature of *quo warranto*, in general terms, without stating how much was assigned, or how much, or what value, was necessary to disable the bank to resume its operations. *ib.*

170. The information may charge the bank generally with usurpation, and on the bank's setting forth its charter and justifying under it, the attorney general may, without a departure, reply the causes of forfeiture specially. 6 Cow. 196.

171. Where a replication, in such case, alleged that the bank became in-



solvent by the fraud, neglect, or mismanagement of some of them, or of some or all of their officers or agents, stopped payment, and discontinued and closed their banking operations for several years; a rejoinder, admitting these facts, but averring that the bank on, &c. resumed payment, and continued it ever since, was held to be sufficient. *ib.*

172. A bank's continuing its operations while insolvent, or buying up its own notes at a discount, will not authorize an injunction from chancery to restrain its operations. *Attorney General v. Bank*, 1 Hopk. 354.

173. Withdrawing stock under the form of loans on private security, if done with intent to reduce the effective capital below the amount required by the charter, is a violation of the charter. *State v. Essex Bank*, 8 Verm. 489.

174. On filing a bill against the president and directors of an incorporated banking company, charging the defendants with a fraudulent abuse of their trust in the election of directors, the court refused an injunction, before the coming in of the answers, to restrain the new directors, whose election was colorable in law, from the exercise of their powers, and also refused to appoint commissioners or receivers to take charge of the affairs of the bank, there not being an impending mischief irreparable in case of delay. *Ogden v. Kip*, 6 Johns. Ch. 160.

175. If notes, made payable at a branch of the principal bank, are called in by the latter, a demand at the latter entitles the holder, to sue that bank on non-payment. *Nashville Bank v. Henderson*, 5 Yerg. 104.

176. Contracting debts or issuing bills to a larger amount than a charter allows, or issuing, with a fraudulent intention, more paper than the bank can redeem, or embezzling large sums deposited for safe keeping, or making large dividends of profits, while it refuses to pay specie for its bills, subjects a bank to a forfeiture of its charter. *State Bank v. State*, 1 Blackf. 270.

177. Where a bank, in which a note is deposited for collection, places it in a notary's hands, on the party's failure to pay, and the notary omits to give notice to the endorser, so that he is discharged, the bank is not liable to the holder, though the maker be unable to pay. *Bellemine v. Bank of United States*, 1 Miles, 173.

178. But if the bank, contrary to custom, does not employ a notary in such case, but some other person as agent, and such agent omits to give notice, the bank is liable. *ib.*

179. Where, by mistake, a bank carried a note, deposited for collection, to the depositor's credit, on his bank-book, and afterwards erased the credit from his book, on discovering the mistake, and he gave notice to the bank that he held it responsible for the amount, and the bank sued the maker of the note in its own name, and also sued his bail, both of which suits were fruitless; it was held that the bank had assumed the property in the note, and was liable to the holder for the amount of it. *Wetherill v. Bank of Pennsylvania*, 1 Miles, 399.

180. If a cashier, as agent of the bank, procure a note by improper means from the maker, and contrary to the original design of the endorser when he delivered it to the maker, and lay it before the directors to be discounted, which is done, the bank cannot recover of the endorser. *Bank v. Irvine*, 3 Pennsylv. 250.

181. A gave a note to a bank, payable in sixty days, which was discounted, and he died before it fell due, having a larger sum deposited in the bank than the amount of the note. Held that the bank might, in equity, retain the amount of the note, though A might owe to others debts of a superior dignity. *Ford v. Thornton*, 3 Leigh, 695.

182. If a dealer with a bank has a balance to his credit on a general cash account with the bank, and dies indebted to the bank, on a judgment, and

also on a simple contract, the bank may, independently of the statute of set-off, apply such balance to the simple contract debt. *State Bank v. Armstrong*, 4 Dev. 519. In Delaware, a bank is bound to apply deposits of the maker in payment of his note, or the endorser is discharged. *M'Dowell v. Bank*, 1 Harring. 369.

183. A debtor to the bank is not absolved from his obligation to pay, because the bank began operations contrary to its charter, or failed to redeem its notes. *Hughes v. Bank of Somerset*, 5 Litt. 45.

184. A bank, by failing to demand payment of a bill received for collection, makes the bill its own, and becomes liable to its owner for the amount. *Bank of Washington v. Triplett*, 1 Pet. 25. S. P. *M'Kinster v. Bank of Utica*, 9 Wend. 46. But the debtor's insolvency may be shown in mitigation of damages. *Stowe v. Bank*, 3 Dev. 408.

185. A bank that collects a bill of exchange, on its being transmitted, by the cashier of another bank, where it was lodged for collection, with his endorsement and a letter informing that it was sent for collection, is liable to the owner, and cannot set off a claim against the bank from which the bill was received. *Laurence v. Stonnington Bank*, 6 Conn. 521.

186. On a deposit of its own bills in the Kentucky Bank, the cashier gave a certificate that there had been deposited to the credit of W \$ 7,000, subject to his order on presentation of the certificate. The bills deposited were, at the time of the deposit, and also at the time when payment was demanded, passing at fifty per cent. discount. On W's presenting the certificate, the cashier offered payment in the bills of the bank, which W refused. Held, that W was entitled to gold or silver, the certificate expressing a general, and not a specific deposit. The transaction was held to be equivalent to receiving and depositing specie, and if the bank had not so understood it, they might have refused to receive the deposit, and then W would have recovered specie to the nominal amount of the bills. *Bank of Kentucky v. Wister*, 2 Pet. 324.

187. The bank having offered to pay the amount of the certificate, it could not afterwards object that W. should have presented a check therewith. *ib.*

188. A special action of assumpsit may be maintained by the person entitled to a transfer of stock against a banking company who refuse to permit the transfer. *Morgan v. Bank of N. America*, 8 S. & R. 87.

189. The refusal of a bank to pay specie, and the consequent stoppage of its bills, are not sufficient evidence of its insolvency to prevent, on that ground, a *bona fide* holder of its bills, after that time, from setting off such bills, in a suit against him by the bank. *Jefferson County Bank v. Chapman*, 19 Johns. 322.

190. The holder of bank bills is entitled to be paid in specie upon demand made on the bank, within the usual banking hours; and he is not obliged to take foreign gold and silver at the bank count, but the payment must be by weight. *Suffolk Bank v. Lincoln Bank*, 3 Mason, 1.

191. Where one bank holds the bills of another, and demands payment, it is not obliged to receive its own bills in payment, at the other's banking-house. *ib.*

NOTE.—The preceding summary, is from a valuable digest of American Law Decisions, by Metcalf and Perkins. The cases now quoted will be found interesting and valuable to every bank-officer, whether he be a president, cashier, teller, or book-keeper. The cases have generally a direct bearing upon the business of every banking institution at some period during the year.

We propose to give, in the third or fourth number, several highly interesting bank cases, decided in the Supreme Court, U. S., with which cases, the majority of our readers are probably not familiar.—*Editor B. M.*

## COMMERCIAL FINANCES OF GREAT BRITAIN.

From the London Economist.

THE Chancellor of the Exchequer brought forward his budget last night. In doing so upon this occasion, it was divested of much of that intense interest which in the last four years has always attended the budget, in consequence of Sir Robert Peel having entered fully into an explanation of the reductions contemplated in the present year, in his speech at the commencement of the session. Mr. Goulburn, however, imparted considerable interest to his statement, by taking a general review of the financial changes of the last four years, dwelling upon the principles on which they had been made, and showing the general result which had attended them.

In the first place, Mr. Goulburn compared the estimates made a year ago, with the actual produce of the revenue, which have been as follows—

|                    | Revenue estimated last year. |       | Actually received. |
|--------------------|------------------------------|-------|--------------------|
| Customs.....       | £ 19,500,000                 | ..... | £ 19,700,000       |
| Excise.....        | 12,500,000                   | ..... | 13,300,000         |
| Stamps.....        | 7,260,000                    | ..... | 7,760,000          |
| Taxes.....         | 4,200,000                    | ..... | 4,200,000          |
| Property tax. .... | 5,200,000                    | ..... | 5,100,000          |
| Post Office.....   | 700,000                      | ..... | 790,000            |
| Crown lands .....  | 150,000                      | ..... | 150,000            |
| Miscellaneous..... | 250,000                      | ..... | 250,000            |
|                    | <hr/>                        |       | <hr/>              |
|                    | 49,860,000                   |       | 51,250,000         |
| China, .....       | .....                        |       | 759,000            |
|                    |                              |       | <hr/>              |
|                    | Total receipts,              |       | 52,009,000         |

The expenditure has been altogether 49,659,000*l.* leaving an excess of income above expenditure of 2,350,000*l.* The next subject to which Mr. Goulburn went, was the estimated produce of the various branches of revenue in the current year, ending 5th of April, 1847. The produce of the customs in the past year was 19,765,000*l.* The duties on the articles reduced or repealed in the present session amount to a sum of 1,041,000*l.* Mr. Goulburn, however, has learned by experience, that in the event of a reduction of duties, the loss to the revenue does not exceed *two-fifths* of the sum given up; the remaining *three-fifths* being made up by increased consumption of the articles reduced, and of other articles. But he has so much confidence in the prospects of the country, and in the consumption of the current year, that he only reduces the income of last year by a sum of 265,000*l.* instead of 1,041,000*l.* as the probable loss. In this he has been guided by the flattering accounts received within the last six weeks, since the reduced tariff came into operation, of the receipts at several of the out-ports, among which he mentioned Liverpool, Hull, Newcastle, Leith, Port Glasgow, and Dublin.

Mr. Goulburn's estimate of the income and expenditure for the current year, is as follows:—

| Income.            |              | Expenditure.                    |              |
|--------------------|--------------|---------------------------------|--------------|
| Customs.....       | £ 19,500,000 | Permanent charges on debt..     | £ 30,600,000 |
| Excise.....        | 13,500,000   | Army.....                       | 6,697,000    |
| Stamps.....        | 7,400,000    | Navy.....                       | 7,521,000    |
| Taxes.....         | 4,230,000    | Ordnance.....                   | 2,643,000    |
| Property tax.....  | 5,102,000    | Miscellaneous, including grants |              |
| Post office.....   | 850,000      | to Ireland.....                 | 3,415,000    |
| Crown lands.....   | 120,000      |                                 |              |
| Miscellaneous..... | 250,000      |                                 |              |
|                    |              |                                 |              |
|                    | 50,952,000   | Surplus.....                    | 50,876,000   |
| From China.....    | 700,000      |                                 | 776,000      |
|                    |              |                                 |              |
| Total.....         | 51,652,000   | Total.....                      | 51,652,000   |

Leaving a surplus of only 776,000*l.* With a similar apparent surplus last year, Mr. Goulburn stated that the result had so greatly exceeded the estimate, that he entertained the greatest confidence he would again be agreeably disappointed in finding at the end of the current year, a much larger surplus than the estimate shows; and this confidence was based on the result which had been experienced by the policy pursued since 1842, in abolishing all duties which were prohibitory, and reducing such as were protective.

Mr. Goulburn then passed to a general review, or summing up of the experience of the country on all the measures which had been introduced since 1842. In 1842, duties were reduced or repealed on *five hundred and eighty-two* articles; in 1843, on *seven*; in 1844, on *four* articles; and in 1845 *twenty-one* articles were reduced, and on *four hundred and forty-eight* articles the duties were repealed. In the present year, the measures which have already passed the House of Commons, reduce the duties on *one hundred and twelve* articles; and repeal the duties on *fifty-four* articles. In the whole period in question—in the five sessions beginning with 1842, and ending with the present—the duties on *seven hundred and twenty-seven* articles have been reduced, and those on *five hundred and one* articles have been entirely repealed—articles, too, which have nearly all, though some to a lesser and others to a greater degree, affected the condition of the great masses of the people, either in their food or clothing, or in the supply of those great staple articles of raw material, which are so essential to the manufactures, and consequently to the industry of the country.

Considering the great reductions thus made in the customs and excise duties, Mr. Goulburn was anxious to show that the experiments which the government had made in this wise and enlightened course of financial legislation, by which commerce and industry had been so much benefitted, had not in any degree impaired the general state of our finances, or added to the permanent debt of the country. On the contrary, the success of these free-trade experiments had been so great, that notwithstanding the great reduc-

tions, every test which could be taken of the financial condition of the country, showed that it had rather been improved than impaired.

The first test which Mr. Goulburn applied, was the amount of balance available, and at the command of the government, on the *first* of January, 1842, and the *first* of January, 1846, which was as follows :—

|                                           |             |
|-------------------------------------------|-------------|
| Balance available, January 1st, 1842..... | £ 3,650,000 |
| Balance available, January 1st, 1846..... | 8,450,000   |
| Difference.....                           | 4,800,000   |

Nor had the debt of the country been added to in order to increase the balance in hand, or to make up the deficiency caused by the reductions which had taken place. In 1842, the whole debt of the country, funded and unfunded, was as follows :—

|                                          |               |
|------------------------------------------|---------------|
| <i>January 1st, 1842.</i>                |               |
| Funded debt.....                         | £ 772,531,000 |
| Exchequer bills.....                     | 19,678,000    |
| Total debt.....                          | 792,209,000   |
| <i>And at January 1st, 1846, it was—</i> |               |
| Funded debt.....                         | £ 766,715,000 |
| Exchequer bills.....                     | 18,400,000    |
| Total debt.....                          | 785,115,000   |

Showing a reduction of about 7,000,000*l.* in these branches of the public debt due at this time. But, besides this, the average amount of deficiency bills, for money borrowed from the bank, amounted in the four quarters of 1842, to 6,163,000*l.* while the same in the average of last year, amounted only to 2,029,000*l.* showing a further reduction of the debt of the country to the extent of 4,133,000*l.* making a total reduction of the whole debt, between 1842 and the present time, of more than 11,000,000*l.*

Not only had these reductions been made in the national debt, but a further reduction in the permanent annual charge of that debt, even in a greater proportionate degree had also been effected. The charge for the debt in 1842 and in 1846, was thus compared by Mr. Goulburn :—

|                             | 1842.        |       | 1846.        |
|-----------------------------|--------------|-------|--------------|
| Interest.....               | £ 24,444,000 | ..... | £ 23,620,000 |
| Terminable annuities....    | 4,490,000    | ..... | 4,490,000    |
| Management.....             | 160,000      | ..... | 93,000       |
| Interest of exchequer bills | 890,000      | ..... | 426,000      |
|                             | 29,984,000   |       | 28,429,000   |

Thus showing a sum of more than 1,500,000*l.* already saved in the annual charge on the debt, besides a further sum of 625,000*l.* which is also secured in the reduction of interest; but which will not take effect until the year 1854, the whole making a saving, effected in the annual expenditure on the debt of 2,125,000*l.* besides a reduction on the capital itself of 11,000,000*l.* Mr. Goulburn stated that it might be supposed by some, that the large amount of money received from China had contributed to these improve-

ments in our general finances. Such an idea would, however, be erroneous ; for although the sum of 3,360,000*l.* had been received from this source, yet of that 2,050,000 had been expended upon our establishments in that country, and 1,270,000 had been paid to the owners of the opium which had been seized, as compensation ; so that nearly the whole of that sum had been exhausted in these ways.

Mr. Goulburn then made a comparison between the entire amounts of taxes imposed during the period in question, and those which had been repealed. The statement was as follows:—

| Taxes imposed.    |             | Taxes repealed<br>or reduced. |             |
|-------------------|-------------|-------------------------------|-------------|
| 1842 to 1846..... | £ 5,624,000 | 1842.....                     | £ 1,590,000 |
| Balance.....      | 2,563,000   | 1843.....                     | 411,000     |
|                   |             | 1844.....                     | 407,000     |
|                   |             | 1845.....                     | 4,749,000   |
|                   |             | 1846.....                     | 1,040,000   |
|                   |             |                               | <hr/>       |
|                   |             |                               | 8,197,000   |
|                   | <hr/>       |                               | <hr/>       |
|                   | 8,197,000   |                               | 8,197,000   |

Thus showing that taxes to the amount of 2,563,000*l.* has been repealed during the period in question, in excess of those which had been imposed.

The right hon. gentleman expressed the greatest satisfaction in being able thus to bear the testimony of his own experience to the extraordinary efficacy of the principles of commercial legislation which this country has adopted during the last five years ; by which the springs of industry had been relieved, the commerce of the country set free, the people rendered prosperous and contented, and by which the finances of the country had improved in so remarkable a way. It will surely be impossible for any foreign government or people to peruse this statement, and to see the extraordinary effects which our free-trade policy has produced—to consider, moreover, the numerous evidences of the improved condition, physical, social, and moral, of the population of the country, by which these changes have been accompanied, without feeling the strongest inducements to follow our example. It will be by such means that the benefits of our policy will become known and adopted by other countries. These statements are well calculated to give the most ample assurance to the most timid and the most doubting of the free-trade policy, in which, thank God, we are now safely embarked.

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GREAT RUSSIAN RAILWAY.—The longest track of railway ever contemplated in Europe, is that from St. Petersburg to Odessa, extending over an uninterrupted line of 1,600 miles. It will connect the Baltic and the Black, and consequently the Caspian seas, traversing three different zones of temperature ; and a person may then leave the Russian capital in the depth of winter, and arrive on the same rail at Odessa in warm, nay, hot weather. It is, moreover, the beginning of what may really be termed an overland route ; connecting, in fine, the Russian Metropolis and Ispahan. The emperor Nicholas takes great interest in this gigantic plan.

BANKING IN THE UNITED STATES.

The following Sketch of American Bank History was published some years since, and we give it a place now in our Magazine under the belief that few only of our readers have met with it.—*Editor B. M.*

THE happiness of individuals in a civilized state of society, as far as regards their physical condition, depends on the possession, and tranquil enjoyment, of what may be generally termed the *good things* of life. Almost all of these, at least all which the savage has not in common with civilized man, are the result of *labor*. Hence the universal aim of man, in the civilized state, is to labor to the *best advantage*; for it is obvious, that he, who, with the same degree of exertion, procures a greater share of the *good things*, or he, to whom the possession of the same share costs less trouble, so far enjoys the better lot.

This aim, to labor to advantage, necessarily led to the *division of labor*: because it is only when the whole business of society is portioned out among the individuals composing it, that the greatest benefit can be derived from individual skill, from experience, capital, machinery, contrivances for the expedition of work, and local position. But, the wants of civilized man being endless, this division of labor could not be reconciled with his personal interests, unless there was an exchange of the commodities produced. Thus division of labor necessarily led to traffic and commerce.

The more extensive this traffic, and commerce, between mankind, the more every individual, every community, every state, every nation, will be able to *labor to the best advantage*; and the greater, (other things being equal,) will be the mass of happiness enjoyed by the whole.

But as most commodities do not form, like glassware, and live-stock, indivisible totals; and as all of them possess *extension*, and *substance*, and are *objects of desire*, in a greater or less degree, the business of society could not have been conducted with convenience and despatch, unless *measures* had been invented for degrees of extension, for amount of substance, and for value. Hence have resulted *rules, weight, and money*. The true end and object of these things—their real utility, is *DESPATCH OF BUSINESS*; and this, therefore, is the *true and sole criterion*, by which their perfection ought to be tested.

Whether a *yard* be a stick of hickory wood, of ebony, or of iron, or whether no stick at all, but merely a mark on a counter—this may be of some importance to a refractory apprentice, who will have more reason to dread the thing, in its occasional, collateral employment, in one shape than in another, but it is absolutely immaterial with regard to the commercial concerns of the shop. Provided the instrument measures correctly, the rest is of no further consequence, except as far as it may be productive of more or less convenience.

The same holds good with regard to *weights*. The same also holds good with regard to *money*, in its capacity of *measure of value*.

But the same thing which measures value, if of a nature to be easily transferred, and transported, must also be the best *means of exchange*, the most convenient *medium of circulation*. Money has, therefore, been employed for the purpose, and may justly be defined a tool, a contrivance of civilized society, wherewith to measure value, and effect exchanges.

Whether money, therefore, has any value *in itself*, whether as substance,

as material, it is an object of desire or not, this, for the purposes of society, which are *despatch of business*, is as indifferent as the nature of the yardstick. If it measures value, and effects exchange, if it *marks a price*, and if it *passes*, it is *good money*. The *best* money, is that which performs these functions with the greatest accuracy, with the greatest economy, and with the greatest convenience,

The precious metals were long exclusively employed for the purposes of money, and as they possess a value—that is, are objects of desire, as substance, as metals, as well as in their *capacity of coin*, mankind find it difficult to familiarise themselves to the idea, that these *two* values are *distinct*, and that their combination in coin is *accidental*, but not *essential*. An eagle, as gold, is a thing that may be wrought up, and serve for ornamental purposes; an eagle, as coin, is only the power of commanding in the market as much value as it measures, a power which any other token, measuring the same value, and passing, gives as effectually.

But the precious metals, being, in some degree, *scarce*, they cannot be always commanded to the extent which occasions, and the circumstances of society, may require. This inconvenience, as appears from the preceding columns, was strongly felt at Venice, in the middle of the 12th century, and gave first birth to the idea of measuring value, and effecting the circulation of commodities, by means of *credit* instead of *coin*, or, in other words, of establishing a *bank*.

The superiority of bank money over coin, for convenience, economy, safety, and despatch of business, has, since that period, been felt and acknowledged, wherever it came within the reach of experience, and is, also, theoretically obvious. It is so great, that were it not for *other considerations*, the use of coin, in every country, *ought to be set aside entirely*.

But *credit*, when rendered by means of banks, the measure of value, and the medium of circulation, may be extorted by *power*, or *corruptly granted* where it is not deserved. It may be abused by the institutions themselves, and the institutions again may be abused by a tyrannical government. This circumstance prevents their general introduction, and restricts their use to *well regulated societies*. With these alone they are compatible. Of these they create the prosperity, and constitute a principal ornament, because they are the offspring of prevailing *law and morality*, and their attendant *faith*.

Credit, when made to answer the purposes of money, also becomes a sort of *commodity*, the commercial value of which, like that of all other commodities, is liable to be affected by scarcity and abundance, a circumstance much to be regretted. For, as money is the measure of value in all the common concerns of life, its own value should be, as nearly as possible, *invariable*. A yard, a pound, a dollar, must mean to-day what they meant yesterday, and the day before, else all will be confusion. In this respect, the measures of extension, and substance, have attained a perfection, which is still wanting in the measure of value. Whatever *material* be employed for this purpose, it must be apt, sometimes, inconveniently to accumulate, at other times to be drained off; by either of which occurrences, its character, as measure of value, will be necessarily affected. Gold and silver have been thought less liable to these fluctuations than most other materials, and therefore chiefly have been made the standard of value in almost every civilized country. We need, however, only to compare the quantum of the necessities of life, of which a certain weight of gold or of silver, gives the command now, with the quantum of which it would have given the command some hundred years ago, in order to convince ourselves that their value is far from being unchangeable.

We should by no means despair that the *unit*, however denominated, of the *ideal* measure of value—*credit*, the amount of which in the market, in the shape of exchangeable commodity is under constant control, might be made, by the banks who give it currency, to bear a much more steady relation to a day's labor, than our dollars and eagles, and thus become a *superior standard*. But until a proper system to this effect has been devised and perfected; or, like the contrivances of banks and bills of exchange, forced into existence by the pressure of circumstances, it is judicious to hold fast to the standard, under the use of which business has been hitherto tolerably well conducted, and to prevent the excess of the circulating medium of paper, or other tokens of credit, by their *convertibility into coin*.

Whether it is well that all bank paper should be *directly* convertible into coin, is a question of considerable importance. The great convenience derived from banks, by those in immediate relation with them, by their customers, and the prevailing horror of monopoly, seem to forbid, in a country as extensive as ours, the idea of their limitation to a small number. On the other hand, the great multiplicity of banks; the consequently very circumscribed circulation of their notes; and the impossibility, thence resulting, for the general government to exercise any sort of control over the currency of the union—are great political evils, which, in critical times, may arise to an alarming calamity; and they seem, moreover, to endanger the solidity of the whole system of a paper medium of circulation—a system of such importance to the permanent prosperity of the country, that it cannot be too carefully strengthened against the dangers of adverse contingencies.

We have endeavored elsewhere to show, that the circulating medium of the country, the banking system, and the financial concerns of government, might, perhaps, be put on an infinitely better footing than that on which they are now placed, by establishing a powerful national institution, guaranteed by the general government, but left, in its details entirely to the management of individual stockholders, the notes of which should be at all times convertible into coin, whilst payment of the notes of its branches, of the state, and of all other banks, when exceeding a certain sum, ought to be demandable only in national notes—so as to give to these a circulation commensurate with the limits of the empire, and render the national mother bank the greater repository of metallic treasure.

After this short recapitulation of the leading theoretical ideas with regard to banking, we proceed to some historical details respecting the principal banking institutions on this continent.

The *first* was the *Bank of North America*. It owes its origin to the vigorous mind and enterprising genius of *Robert Morris, Esq.* who conceived the idea of it when superintendent of the public finances, and submitted to congress in the month of May, of the year 1781, the plan for establishing a national bank of North America. Agreeable to this plan, the capital stock was to consist of \$ 400,000, in shares of \$ 400 each, payable in gold and silver, to be increased by new subscriptions from time to time, at the pleasure of the directors. The directors, twelve in number, were to be chosen by the stockholders, and were to be entrusted with the management of the institution. The notes of the bank—payable on demand—to be made a legal tender, in the discharge of duties and taxes, &c.

On the 26th of May, of the same year, congress approved of the plan, and passed several resolutions, by which they pledged themselves to support the proposed institution; to incorporate the subscribers, under the name of the "President, Directors, and Company of the Bank of North America;" to recommend to the several states the prevention of similar establishments,

within their respective jurisdictions, during the war ; to receive the notes of the institution in payment of taxes, duties, and all other debts owing to the United States ; and to use their influence with the several legislatures to have laws passed, which should make it felony to counterfeit the notes of the bank, &c.

After this, subscriptions were immediately opened, and filled, during the summer and autumn of the same year. In November, directors were chosen. In December, congress, conformably to their previous resolves, passed an ordinance which created the subscribers to the bank a corporation *for ever*, under the title of "The President, Directors, and Company of the Bank of North America." The original features of the plan proposed were preserved, but the bank was restricted from holding property exceeding the amount of 10,000,000 of dollars.

The institution commenced its operations in the month of January, following, and *Robert Morris*, who may be justly styled the father of the system of credit and paper circulation in this country, succeeded in securing to it the good will and confidence of the people at large, by various judicious measures, of which a circular letter, addressed to the governors of the several states, explaining the object of the institution, and the certain advantages to be derived from it, was not the least effectual.

Thus the first bank on this continent came into existence, and such was its happy and immediate influence on the public finances, and on commercial concerns in general, that it may be justly doubted whether, without its seasonable aid, the revolutionary struggle for independence could have been brought at all to a satisfactory termination. The United States, for several years, were constantly indebted to the bank to a larger amount than the stock they owned ; nor could the various devices for creating a revenue have answered their end, or the army have been fed and clothed, or any degree of order and punctuality maintained in the despatch of public affairs, but for the great facility in the management of business, and the restoration of confidence, which were created by this institution.

The sense of the great utility of the bank was so universal, that Massachusetts and Pennsylvania corroborated the ordinances of congress by additional charters ; and Rhode Island, Connecticut and Delaware, passed laws for the purpose of preventing the counterfeiting of its notes, and extending their circulation. Yet, when peace had been concluded, and the pressure of the times was over, there were not wanting those, who viewed the prosperous state of the affairs of the bank with a jealous eye, and conjured up imaginary fears of an overbearing oppression, an alarming foreign influence, and fictitious credit from temporary punctuality :—of a created scarcity of specie, possible commercial convulsions from the stopping of discounts, partial favors, and the comparative disadvantages under which distant traders labored.—As if, in a moral community, the bare possibility of abuse could ever furnish a good argument against the decided utility of a thing ; or, as if a benefit were to be relinquished because all cannot be benefitted alike.—And so effectually were these objections against the institution urged, that, on the 13th of September, 1785, the legislature of Pennsylvania actually repealed their charter.

The repeal was persevered in by the succeeding legislature, notwithstanding innumerable petitions to the contrary, and vast efforts to enlighten their proceedings. The bank, however, continued its usual operations under the charter from congress, and in the enjoyment of corporate rights, which, it was presumed, could not be arbitrarily wrested from them, after having once been legally bestowed.

The legislature which met in December, 1786, at last thought proper to renew the charter of the bank, and passed an act to that effect on the 17th of March, 1787, by which, however, the term of the charter was limited to fourteen years, and the capacity of the corporate body, of holding property, restricted to two millions of dollars. The same charter was extended for the term of fourteen years more, by an act passed on the 20th of March, 1799.

The capital of this bank has been from time to time increased. It divides, most generally, 12 per cent. on the original price of the shares.

Bank of the United States.—This institution, though no longer existing, has rendered to government, and to the community at large, so many essential services, that we think ourselves obliged to bestow, under this head, a few lines on the history of its origin and termination.

The idea of it was conceived immediately after the adoption of the present constitution, by *Alexander Hamilton, Esq.* then secretary of the treasury. The acute intellect, and enlarged mind of this man, caused him to master every subject to which his attention was directed, and to embrace it in all its details and consequences, whether immediate or remote. It had not escaped him, that the work of the revolution would remain unfinished, without a solemn compact, which should give to the new-born political society, consistency and shape, and unite its wide spread members into a well organized commonwealth. His efforts, therefore—as his writings testify—had been directed towards effecting the formation of a constitution, and causing it to be adopted. But, when this was attained, he perceived further, that in order to give permanency to the new fabric, it was necessary to render it respected abroad, and to strengthen it by the support of self-interest at home; he perceived that it was necessary to raise the edifice of *public credit*, and that this could only be attempted with success, by raising it on the basis of *justice* and *good faith*. This required that the general government should acknowledge the debts contracted during the revolutionary struggle, make provision for the regular discharge of the accruing interest, and for the ultimate payment of the principal itself. They were consequently *funded*. A system or revenue was created to meet the future expenditures; and nothing could be happier than the further idea of establishing a NATIONAL BANK, the stock of which was chiefly to consist in *public securities*, in order to procure at once to those securities a great market value, give precision and method to the fiscal operations of the new government, and blend its stability with the comforts of individual existence. It would also have the advantage of turning credit into capital, and enable the country to procure with ease from abroad, the innumerable things which were wanted to start with vigor in the career of industry, though nearly exhausted with the efforts to attain independence.

The plan of such a bank was therefore submitted to congress on the 13th of December, 1790. It was opposed in congress by the party then in the minority, but who have since come into power, chiefly on the ground of the presumed *unconstitutionality* of the measure proposed. The power of creating a bank, or any corporate body whatever, not having been expressly delegated to congress, it was contended that no such power was possessed. The *cabinet* was divided on the question, as well as the *public councils*. The then secretary of state, in particular, argued, that though the constitution, in a summary manner, granted to congress power to pass such laws as were *necessary* to carry the *specified powers* into effect, yet this clause could only be considered as applicable to acts, in justification of which there could be pleaded an *absolute, paramount, and irresistible* necessity, not to those, which, like the bank proposed, would only rest on the grounds of *expediency, superior convenience, precedent* and *general usefulness*.

The manly understanding, however, of the secretary of the treasury, and the practical wisdom of the august chief, then at the head of the government, could not be swayed by grammatical considerations so futile. The former investigated the question, and refuted the pretended constitutional objection with a force of reasoning which could not fail to remove all doubts on the subject from every sound and unprejudiced mind;* and the latter, consequently, gave his sanction to the act of congress, incorporating the bank, which passed into a law on the 25th of February of the year following.

Agreeable to this law, the capital stock of the Bank of the United States was limited to 10,000,000 of dollars, divided into 2,500,000 shares, of 400 dollars each, payable—one-fourth in gold and silver, and three-fourths in public securities, bearing an interest of six, and three per cent. The corporation were restricted from contracting debts beyond the amount of their capital, and from holding property exceeding the value of 15,000,000 of dollars, or real estate more than necessary for the convenient transacting of their business. The affairs of the bank were to be managed by twenty-four directors, to be elected by the stockholders. Only citizens of the United States, and stockholders, were eligible as such. Only three-fourths of their number could be re-elected every succeeding year; and several more regulations were contained in the charter, generally well calculated to guard against any political dangers from this national establishment, to extend its usefulness, and confirm its solidity. The duration of the bank was limited to the 4th of March, 1811.

The subscriptions were filled as soon as opened. The government—conformably to the right reserved in the charter, subscribed 5000 shares, or two millions of dollars, and the bank went into immediate operation.

The dividends of the bank—made semi-annually—generally amounted to four per cent. Its stock—a great proportion of which was held in Europe—soon rose considerably above par, and the institution proved *always convenient*, on some occasions *eminently useful* to the government, and not less beneficial to the public at large.

Yet, when the period of the termination of its charter arrived, and the stockholders applied to congress for a renewal of it, the same objection of unconstitutionality, which had been successfully combatted twenty years before, was again revived. The institution had become the more invidious to the party in power, for having been, at its very origin, unsuccessfully opposed by their principal leader—an opposition, which, perhaps even then, arose from the desire of signalling a system of political principles and measures, different from those which were adopted. When the subject came now again under discussion, the force of sound argument, the considerations of general usefulness, and the unquestionable fiscal expediency of the renewal of the charter, could not be expected to avail against unfriendly sentiments of such long standing. An impulse was given accordingly; the renewal of the charter refused, and the institution dissolved.

The public prosperity might have received a severe shock, and government itself been exposed to difficulties and embarrassments much more serious than those under which it must now necessarily labor, from the want of a national bank, if the same course of deliberate prudence, which has marked the conduct of the late Bank of the United States throughout, had not been also pursued in their mode of withdrawing from business. But they proceeded in this work so slowly, and acted towards individual debtors, and towards other banks on which they had claims, with so much

* See Works of Alexander Hamilton, vol. v.

liberal forbearance, that time was gained to supply the public with the circulating medium of *new bank credits*, in lieu of those to be withdrawn. A conduct which was, moreover, dictated by the interests of the expiring institution itself, and singularly favored by the general stagnation of commerce at the period when it took place.

BANKS IN THE UNITED STATES.

List of one hundred and twenty-two Banks, established in the United States, from 1781 to 1812; their location and capital, and the year in which they were incorporated.

✱ Those marked with a star, or banks with similar names, are in existence at this time.

✱ Those in italics have failed at different periods.

When Incor'd.	Name of Banks.	Location.	Capital.
1781	*Bank of North America,	Philadelphia,	\$ 2,000,000
1784	*Massachusetts Bank,	Boston,	1,600,000
1784	*Bank of New York,	New York,	950,000
1790	<i>Bank of Maryland,</i>	Baltimore,	300,000
1791	*Providence Bank,	Providence,	400,000
1792	*Bank of Albany,	Albany,	260,000
1792	*Bank of South Carolina,	Charleston,	640,000
1792	*Union Bank of Boston,	Boston, ●	1,200,000
1792	New Hampshire Bank,	—	100,000
1792	<i>Bank of Alexandria,</i>	Alexandria,	500,000
1792	*Hartford Bank,	Hartford, Conn.	930,000
1792	*Union Bank,	New London, Conn.	500,000
1772	*New Haven Bank,	New Haven, Conn.	400,000
1793	Bank of Columbia,	New York,	160,000
1793	<i>Bank of Columbia,</i>	Georgetown, D. C.	500,000
1793	*Bank of Pennsylvania,	Philadelphia,	3,000,000
1795	Bank of Nantucket,	Nantucket, Mass.	100,000
1795	Bank of Delaware,	—, Delaware,	110,000
1795	*Bank of Baltimore,	Baltimore,	1,200,000
1795	*Middletown Bank,	Middletown, Conn.	400,000
1795	*Bank of Rhode Island,	Newport,	100,000
1796	*Norwich Bank,	Norwich, Conn.	200,000
1799	*Manhattan Bank,	New York,	2,000,000
1799	Portland Bank,	Portland, (D. Maine,)	300,000
1799	Essex Bank,	Salem, Mass.	300,000
1800	*Washington Bank,	Westerly, R. I.	50,000
1800	*Bank of Bristol,	Bristol, R. I.	120,000
1801	*Exchange Bank,	Providence, R. I.	400,000
1801	Farmers' Bank,	Lansingburg, N. Y.	75,000
1801	*State Bank of S. C.	Charleston,	800,000
1802	Marine Bank,	Portland, (D. Maine,)	300,000
1802	N. H. Union Bank,	—	200,000
1802	Lin and Ken Bank,	Wiscasset, (D. Maine,)	200,000
1803	*Merchants' Bank,	New York,	1,250,000
1803	*Bedford Bank,	New Bedford,	150,000
1803	*Philadelphia Bank,	Philadelphia,	2,000,000

1803	<i>Miami Exporting Co.</i>	Cincinnati,	\$ 200,000
1803	*Salem Bank,	Salem, Mass.	200,000
1803	*Roger Williams Bank,	Providence, R. I.	150,000
1803	*New York State Bank,	Albany,	460,000
1803	Newburyport Bank,	Newburyport,	550,000
1803	Saco Bank,	Saco, D. Maine,	100,000
1803	Albany Mercantile Co.	Albany,	25,000
1803	*Plymouth Bank,	Plymouth, Mass.	100,000
1803	*Boston Bank,	Boston, Mass.	1,800,000
1803	Strafford Bank,	Dover, N. H.	150,000
1803	*Newport Bank,	Newport Bank,	120,000
1803	*Warren Bank,	Warren, R. I.	68,000
—	Exeter Bank,	Exeter, N. H.	200,000
1804	*Union Bank of Maryland,	Baltimore,	3,000,000
1804	*Bank of Cape Fear,	Wilmington, N. C.	350,000
1804	Bank of Newbern,	Newbern, N. C.	300,000
1804	*Newark Bank'g & Ins. Co.	Newark, N. J.	225,000
1804	Trenton Bank,	Newark, N. J.	300,000
1804	Hallowell & Augusta B'k,	Hallowell, D. Maine,	200,000
1804	*Worcester Bank,	Worcester, Mass.	150,000
1804	*Pacific Bank,	Nantucket, Mass.	100,000
1804	*Marblehead Bank,	Marblehead, Mass.	100,000
1804	*Rhode Island Union Bank,	Newport, R. I.	150,000
1805	*Smithfield Union Bank,	Smithfield, R. I.	50,000
1805	*Narragansett Bank,	Kingston, R. I.	60,000
1805	*Rhode Isl'd Central Bank,	Greenwich R. I.	60,000
1805	*Bank of Virginia,	Richmond, Va.	1,500,000
1806	*Mechanics' Bank,	Baltimore,	1,000,000
1806	Bank of Chillicothe,	Chillicothe, O.	100,000
1806	*Bridgeport Bank,	Bridgeport, Conn.	200,000
1806	Derby Bank,	Derby, Conn.	200,000
1807	Bank of Kentucky,	Louisville,	1,000,000
1807	Bank of Nashville,	Nashville, Tenn.	500,000
1807	Bank of Marietta,	Marietta, O.	100,000
1807	*Farmers' B'k of State Del.		500,000
1807	New Brunswick Bank,	New Brunswick, N. J.	150,000
1807	*Farmers & Mechanics B'k,	Philadelphia,	1,250,000
1807	*Hagerstown Bank,	Hagerstown, Md.	250,000
1807	Mohawk Bank,	New York,	200,000
1807	New London Bank,	New London, Conn.	200,000
1808	Hudson Bank,	Hudson, N. Y.	300,000
1809	Bank of Steubenville,	Steubenville, O.	100,000
1809	*Chambersburg Bank,	Chambersburg, Pa.	250,000
1809	*Commercial Bank,	Providence, R. I.	50,000
1810	*Com'cial & Farm'rs B'k,	Baltimore,	1,000,000
1810	*Farmers & Merch'ts B'k,	Baltimore,	500,000
1810	*Franklin Bank,	Baltimore,	600,000
1810	*Marine Bank,	Baltimore,	600,000
1810	Elkton Bank,	Elkton, Md.	300,000
1810	*Farmers B'k of Lancaster,	Lancaster, Pa.	300,000
1810	*State Bank of N. Carolina,	Raleigh,	1,600,000
1810	*Mechanics' Bank,	New York,	2,000,000
1811	*State Bank,	Boston,	3,000,000
1811	*Merchants' Bank,	Salem, Mass.	200,000

1811	*Bank of Troy,	Troy, N. Y.	500,000
1811	*Mechanics & Farm'rs B'k.	Albany,	600,000
1811	*Cumberland Bk. of All'gy,	Cumberland,	200,000
1811	Bank of Newburg,	Newburg, N. Y.	400,000
1811	Farm'rs Bk. of Worcester,	———— Md.	200,000
1811	Middle District Bank,	———— N. Y.	500,000
1811	Bank of New Orleans.	New Orleans,	500,000
1811	*Union Bank,	New York,	1,800,000
1811	Eagle Bank,	New Haven, Conn.	750,000
1812	*Bank of America,	New York,	6,000,000
1812	City Bank,	New York,	2,000,000
1812	Farmers & Mechanics' Bk.	Cincinnati, O.	500,000
1812	Bank of Muskingum,	Zanesville, O.	100,000
1812	*Monongahela Bank,	Brownsville, Pa.	250,000
1812	N. Y. Manufacturing Co.	New York,	1,200,000
1812	*Camden State Bank,	Camden, N. J.	800,000
1812	Trenton State Bank,	Trenton, N. J.	300,000
1812	*N. Brunswick State Bank,	New Brunswick, N. J.	400,000
1812	*Newark State Bank,	Newark, N. J.	400,000
1812	*Elizabeth State Bank,	Elizabethtown, N. J.	200,000
1812	*Morris State Bank,	Morris, N. J.	200,000
1812	*Bank of Utica,	Utica,	1,000,000
1812	Pittsburg Manu'ring Co.	Pittsburg,	1,000,000
1812	City Bank,	Baltimore,	1,500,000
1812	*Bank of Wilmington and Brandywine,	} Wilmington, Del.	120,000
1812	Farmers and Mechanics' Bank of Delaware,		
1812	Commer'l Bank of Del.		200,000
1812	Farmers & Mechanics' Bk.		1,500,000
1812	Savannah Bank,	Savannah, Ga.	1,000,000
1812	*Union Bank of S. C.	Charleston,	1,000,000
1812	*Planters and Mechanics' Bank of S. C.	} Charleston,	1,000,000
Total Capital,			\$ 77,158,000

MISCELLANEOUS.

TO CORRESPONDENTS.—M. at London, is informed, that it is out of our power to furnish a statement of the issues of each bank. It would be necessary in order to acquire this information, to address circulars to very numerous banking institutions, many of whom would not see fit, from interested or other motives, to give us replies. We have given at various dates, the aggregate specie, circulation, loans and other items, of all the banks of nearly all the states; and we can give pretty accurately, the amount of specie held by the 700 banks in the Union. But notwithstanding repeated efforts, we have not been able to procure to this day, a statement of the condition of the banks of Maryland, or South Carolina, or Georgia, or Tennessee, or Michigan. *Partial statements* have been procured, but the banks in those

states are not, that we are aware of, compelled to publish, nor does the legislature authorize, annual printed reports of their condition.

MISSING NUMBERS.—Our correspondent in London, who writes for Nos. of the Bankers' Circular which had not been received, is informed that we send duplicate copies of the Nos. mentioned, per steamer 1st August. Those subscribers who have taken pains enough to file their copies, can be supplied with such odd numbers as they require, if we have them.

LONDON BANKERS' MAGAZINE.—We refer our readers to the cover of this number, for an advertisement of the London Bankers' Magazine; it contains a large amount of valuable statistical details, relating to the banks and savings banks of Great Britain, the Funds, English Commercial Law, Railway Reports, &c., all which render it valuable to public institutions. (*Imported by E. Baldwin, 155 Broadway, New York, Monthly, \$6 per annum, exclusive of Supplements.*)

THE BANKERS' ALMANAC, 1846.—Another valuable publication, whose columns have been useful to us. It contains lists of all the banks in England, Ireland and Scotland: prominent bankers in Europe, Asia, and Africa; bankers in London, and a variety of exceedingly interesting details. (*Sold by Baldwin, 155 Broadway, New York, price \$1 50.*)

ICE.—This article, one of luxury in a moderate climate, and of necessity also in any latitude south of 42 in our country, is now shipped in large quantities to England from Boston. London papers of June 20, announce the arrival of a cargo of 694 tons at the docks, where warehouses have been specially constructed to keep the article cool: about 40,000 tons have been shipped this season from Boston alone, a large portion of it to New Orleans, where houses are built expressly for it, entirely above ground—none of the houses of that city being provided with cellars.

BOLD ROBBERY.—While the teller of the Bank of the State of New York was busily engaged in the discharge of his duties, paying checks, &c. some rogue boldly marched in and marched out again with a package of bank notes containing twenty-five hundred dollars, in fifty dollar bills. The money was very soon missed but not before the rogue was beyond the hope of pursuit.

THE FULTON BANK, New York City, was entered by burglars at some period between the evening of Friday, July 3, and the following Monday morning. They succeeded in obtaining a bag of gold containing about one thousand dollars, which had been deposited in an iron safe: but their efforts to work a passage to the vault were fruitless.

INTEREST ON THE DEBT OF MARYLAND.—The commissioner of loans has given notice that the coupons due 1st January, 1843, upon the sterling debt of the State of Maryland, would be paid on demand at his office, on or before the 25th of July, 1846. After that time holders must present them for payment to Messrs. Baring, Brothers & Co. London, at whose banking house the coupons are made payable.

The report of the committee of ways and means to the legislature, at its late session, represented the public debt of the state to be, . \$ 15,186,784

From which deduct bonds issued to the Baltimore and Ohio

Rail Road Co., a sum which it is fully believed the

Company will provide, 3,200,000

\$ 11,986,784

The annual interest on this is \$ 655,421. Several millions of the Maryland loan were taken at 16 *per cent. premium*, and portions of it were re-sold at 120, while the present market price is 78; the decline mostly owing not to any actual or *presumed* inability on the part of the State to pay its debts, but to the inaction of the legislature in promptly providing for the payment of the annual interest: and to the belief on the part of the bondholders in the want of that moral honesty and *courage* among the people, which should induce them to throw a due share of the burden of the debt upon the present generation, and not the whole, principal and accumulated interest, upon the shoulders of those who shall come after us.

MUTATIONS OF TIME.—An extraordinary instance of the fall in the value of property came to our knowledge a few days since, which, for the benefit of bankers we now record. The building constructed for, and for several years occupied by the Bank of Columbia, at Georgetown, was considered, at the time of its erection, the most elegant and costly of the finished public buildings of the District of Columbia. Built upon an elevation of at least 100 feet above the river, it commands an extensive view of the Potomac, the City of Washington, a portion of Virginia, (as proposed to be retroceded,) and is now within one hundred yards of the Chesapeake and Ohio Canal.

It was constructed upon a large scale, (*consistent, however, with the age,*) having a front of 50 feet with a depth of 80 feet, in the centre of a lot 165 feet front and 240 deep: and finished in a costly manner. The entire cost of the property at the time (1811—12) was one hundred and nine thousand dollars. Such were, however, its rapid strides to inflation and insolvency, that although possessing a capital of \$ 940,000, it was compelled during the reverses of 1819—'20, to suspend payment and make an assignment of its property to the Bank of the United States for the benefit of its creditors. These were nearly all paid off, but the stockholders never realized any returns. The building has been since but little used: a portion of the time by the topographical bureau of the United States. A few weeks since this property, entirely free from encumbrances, was disposed of at private sale to Mr. George Poe, formerly Cashier of the Branch Bank United States at Mobile, for *forty-five hundred dollars*, a sum which we are informed will scarcely cover the original cost of the iron railing surrounding the bank.

Georgetown was (familiarily to the editor) at the time of the suspension of the Bank of Columbia, the *court-end* of Washington; carrying on a large

foreign and coasting trade, and exporting heavily in flour, tobacco, &c. with a large amount of tonnage and a flattering prospect of remaining a prominent commercial town, and of enjoying its import and export trade with Holland, Southern Europe, South America and the West Indies. Now, after the lapse of only 25 years, the commerce of the town has dwindled down to a coasting trade with New York and one or two other ports: not a ship or a brig at its wharves: its warehouses vacant and its real property depreciated from 50 to 80 per cent. above the inflated values of the inflated times of 1818—20. Its banking corporations, in common with those of Washington and Alexandria, extinct, except as private institutions. Even its sister city Alexandria, notwithstanding an outlay of a million of dollars to prop its decaying commerce, by the construction of a canal, *alongside of a fine navigable river*, is suffering *nearly* the same fate.

MANUFACTURERS AND MECHANICS' BANK, NANTUCKET.—The calamitous fire at Nantucket on the 13th of July, destroyed the Custom House, Post Office, Savings Bank, together with the building occupied by the Manufacturers and Mechanics' Bank. The condition of this institution, which failed in February last, is even more deplorable than at first supposed. The defalcation of Mr. Barker Burnell, its recent cashier, is now ascertained to be nearly \$ 150,000, while its entire capital was only \$ 100,000. If the bank hold Mr. Burnell's private property as it will be enabled to do, unless prevented by a legal flaw, the deficit can probably be reduced to \$ 100,000. The directors are the principal sufferers, being large stockholders and depositors.

This is one of the most extraordinary and unaccountable instances of bad management that we have ever heard of; a commentary upon the practice of placing *nominal* directors in office, either too ignorant of the routine of business, or too busy with their own affairs, to attend to public duties *for which they receive no compensation*.

**AN ACT FOR THE PROTECTION OF PERSONS VOLUNTEERING IN THE
SERVICE OF THEIR COUNTRY AGAINST MEXICO.**

Section 1. *Be it enacted by the Senate and House of Representatives, of the State of Louisiana, in general assembly convened,*

That all laws in relation to the collection of debts shall be suspended, and cease to operate against such persons as may be called into the service of their country against Mexico.

Section 2. *Be it further enacted, &c.,* That this law shall be in force six months from and after its passage, or until such persons are regularly discharged from the enlistment aforesaid. *Provided,* That the terms granted in this act to the persons therein mentioned, shall not be computed within the period prescribing any debt or obligation.

Approved 6th May, 1846.

GENERAL ILLUMINATION IN GREAT BRITAIN.—It is intended that there shall be a general illumination almost immediately after the passing of the Corn Bill by the House of Lords. In Manchester, Liverpool, Birmingham, Sheffield, Blackburn, and Rochdale, the illumination will be on a scale of great magnificence. In the metropolis, the illumination will be of a similar kind to that which took place at the time of the passing of the Reform Bill.

NEW YORK STATE LOAN.—The special six per cent. loan of two hundred thousand dollars required by the state of New York, was taken in July, by the parties mentioned below, at the annexed rates of premium :

Watts Sherman,	. . . . .	\$ 120,000	a 5 28	premium.
Savings Bank New York,	. . . . .	48,000	a 4.56	“
R. H. King,	. . . . .	25,000	a 4.56	“
William Fowler,	. . . . .	7,000	a 4.60	“

\$ 200,000

The aggregate premium realized by the State, is \$ 9,986 80; evincing abundance of capital and unabated confidence in the means of the state, and in its intention to sustain its credit in any events.

NEW BANKS IN NEW HAMPSHIRE.—At the recent session of the Legislature of New Hampshire, the following new banks, &c. were incorporated :

1. Great Falls Bank, at Somersworth. 2. Strafford Bank, at Dover. 3. Belknap County Bank, at Meredith. 4. State Bank, at Portsmouth. 5. Claremont Bank, Claremont. 6. Bank of Lebanon, (renewal :) also, the Manchester Savings Bank; seven new Railroad Companies, and thirty-two new Manufacturing Companies, and an increase allowed to the capital stock of the Manchester Bank.

HINTS TO TELLERS AND BOOK-KEEPERS.—In those banks where a foreign (or general) ledger clerk, as well as an individual book-keeper are employed, much trouble to both, and to the paying teller may be saved by the latter charging the general ledger checks in a separate column from the individual ledger checks in his cash book. Much time is frequently lost in finding out a discrepancy either in the extensions or additions, when neither of the three persons can say in which book the error exists. Whereas, by keeping the two sets of checks separate, the two book-keepers can from time to time during the day, compare their additions with the teller, and discover immediately any difference. It is better for an error to lie between two, than three persons.

PROBABLE GLUT OF GOLD.—We find it stated in a French scientific paper, that Siberia contains gold in such abundance, that its discovery is likely to produce a financial revolution in Europe, similar to that which took place on the discovery of Peru. In the period of the last 14 years, the produce of the gold mines in that country is said to have doubled. Eleven thousand persons are daily employed in washing the mineral; and three times the number could be so occupied if the hands could be found. Nothing but this want of laborers, (adds the French Journal,) prevents the markets from being filled with the gold of this rich deposit.—*Liverpool Albion*.

(This want of laborers need not long be felt, there are a few populous towns yet on the continent, although some villages have been depopulated by emigration to the U. S.)—*Ed. B. M.*

DEATHS.—At New-York, on the 24th of July, **PRESERVED FISH**, aged 81: for several years, and at his death, President of the Tradesmen's Bank; and long known as an active member of the eminent commercial house of Fish & Grinnell, of that city.

At Fredericksburg, Va. on the 23d of July, **HUGH M. PATTON**, aged 53, Cashier of the Branch of the Farmers' Bank of Va. at that place: a post which he had held for many years, with credit to himself and usefulness to the institution.

THE ZOLLVEREIN.

THE Zollverein came to its present state in the year 1834, and counted then 23,478,120 inhabitants, which number had increased in 1843, to 28,498,625, on a space of 822,157 German square miles, partly from Baden, Brunswick, Frankfort-on-Maine, Luxemburg, and Nassau, joining to the Union, and partly owing to the regular increase of population, viz.—

Prussia, (including Luxemburg).....	15,967,879
Bavaria	4,444,918
Saxony.....	1,757,800
Wurtemberg, (including Hohenzollern).....	1,739,706
Baden.....	1,332,317
Hesse-Cassel.....	719,320
Hesse-Darmstadt.....	844,655
Thuringen, (several duchies).....	974,184
Brunswick	239,744
Nassau	412,271
Frankfort-on-Maine.....	65,831

Total	28,498,625
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No new state has joined the Union since 1842. The increase of population within the Union is, when no new state joins, half a million a year. The population may, therefore, now be taken at 30 millions.

The duty system is the same that Prussia had in 1818, in which nothing was prohibited, and a duty, of not more than 10 per cent. levied on the value, after which, at that time, the duty was charged on the weight. Since then, however, the prices of most goods have fallen so low, that the common articles of several branches cannot be imported any longer, and others pay a duty of 20, and even 100 per cent. on their value, arising from the duty being levied on the weight.

Prussia is the leading power of the Union, but cannot undertake anything without the sanction of the other powers. To carry a resolution it is necessary that all agree. Deputies of the eleven powers meet every three years to consider and discuss matters principally relating to the tariff, which, after this, is good for three years. In extraordinary cases, however, special meetings may be called in the interim.

SEMI-ANNUAL DIVIDENDS.

June and July, 1846.

	Per ct.		Per ct.
CONN.—Exchange Bank, Hartford,	3	MD.—Western Bank, Baltimore,	3
Connecticut River Bank,	3	Farmers & Planters' Bank do.	3
New-Haven Bank,	4	D. C.—Bank of the Metropolis,	3
New-Haven County Bank,	4	Patriotic Bank,	3
City Bank, New-Haven,	3½	VA.—Bank of Virginia,	3
Mechanics' Bank, do.	4	Farmers' Bank of Va.	3½
N. Y.—Phenix Bank, N. Y.	3	Exchange Bank	3½
Merchants' Exchange Bank,	4	S. C.—Union Bank of S. C.	1½
Commercial Bank, Albany,	4	Planters & Mechanics' Bank,	3
Pine Plains Bank,	3	Bank of Charleston,	3
Merchants' Bank, Poughkeepsie,	4	Merchants' Bank, Cheraw,	4
Bank of Poughkeepsie,	4½	GEO.—Planters' Bank,	4
Farmers & Man. Bank, do	3	KY.—Bank of Kentucky,	2½
Long Island Bank,	3½	Northern Bank,	4
PENN.—Bank of North America,	4	Bank of Louisville,	3½
DEL.—Farmers' Bank of Delaware,	3	TENN.—Planters' Bank,	2½
MD.—Cumberland Bank of A.	4	Union Bank,	2
Union Bank of Baltimore,	3	ALA.—Bank of Mobile,	2½
Chesapeake Bank do.	3	OHIO.—Ohio Life & Trust Co.	4
Merchants' Bank do.	3	N. O.—Mechanics & Traders' Bank,	3

* Dollars per share.

PRICES OF STOCKS.

NEW YORK, JULY 25, 1846.

GOVERNMENT SECURITIES. Offered. Asked.							
U. S. Loan 6 per ct.	1862	106	107	Chemical Bank,	150	—	
do. do. 5 do.	1853	98	99	Fulton Bank,	116	—	
STATE SECURITIES.				N. Y. Chemical Manufac. Co.	92	94	
New York 7 per cent.	1848	102	103	Del. & Hud. Canal Co. Bank,	180		
do. 7 do.	1849	103½	103½	Dry Dock Bank,		60	
do. 6 do.	—	106	108	Greenwich Bank,	62	70	
do. 5½ do.	—	101	103	Butchers & Drovers' Bank,	111	112	
do. 5 do.	1850	96	98	Mechanics & Traders' Bank,	105	—	
do. 5 do.	1855	96	98	National Bank,	97	99	
do. 5 do.	1858	96	98	Merchants' Exchange Bank	104	—	
do. 5 do.	1860	96	99	Leather Manufacturers' do.	106	108	
do. Astor Fives.			96½	Seventh Ward Bank,	90	100	
do. 4½ do.	—	—	—	State Bank of New-York,	83	85	
Ohio 6 per cent.	1850	93	93½	Bank of Commerce,	94	95	
do. 6 do.	1860	93	93½	Do. do. Scrip,	95	96	
do. 6 do.	1870	93½	94	N. A. Trust & Banking Co.	8	8½	
do. 5 do.	1856	80	85	Del. & Hud. Canal Scrip Stock	140	142	
do. 7 do.	—	101	102	Mechanics' Banking Associa.	92	—	
Kentucky 6 per cent.	1871	99	99	American Exchange Bank,	82	83	
do. 5 do.	—	80	85	Long Island Bank,	101	104	
do. payable in N. Y.	—	85½	86	Brooklyn Bank,	20	25	
Illinois 6 per cent.	1860	—	—	Atlantic Bank, Brooklyn,	98	101	
do. 6 do.	1870	30	33	TRUST COMPANIES.			
Indiana St'g 5 per ct. 25 yrs.	30	33		N. Y. Life Ins. & Trust Co.	106½	109	
do. Dol. 5 do. 35 yrs.	30	33		Farmers' Loan & Trust Co.	25	25½	
Arkansas 6 per ct.	—	—	43	Ohio Life Ins. & Trust Co.	96	96½	
Michigan 6 per ct.	—	25	—	MISCELLANEOUS.			
Pennsylvania 5 per ct.	—	67½	67½	New-York Gas Light Co.	—	124	
CITY, &c.				Manhattan Gas Light Co.	86	88	
N. Y. City 7 per ct.	1847	—	103	Canton Co., Balt.	34	35	
do. 7 do.	1852	104	104½	East Boston Co.	14	15	
do. 7 do.	1857	105	107	FOREIGN INSTITUTIONS.			
do. 5 do.	1850	92	93	United States Bank.	4	4½	
do. Water Loan do.	1858	92	93	N. O. Canal & Banking Co.	40	—	
Brooklyn 6 per ct.	—	101	105	City Bank of N. Orleans,	64	65	
BANKS.				Commercial Bank of N. O.	26	30	
Bank of New York,	118	121		Franklin Bank, Cincinnati,	90	93	
Manhattan Bank,	98	99		La Fayette Bank, do.	77	80	
Merchants' Bank,	106	108½		Illinois State Bank,	10	14	
Mechanics' Bank,	105½	106		Vicksburg Com. & R. R. B'k,	6	6	
Union Bank,	113	115		Morris Canal & Banking Co.	12½	12½	
Bank of America,	96	97		RAILROADS.			
City Bank,	104	106		New York & Erie,	45	48	
Phenix Bank,	83	85		Mohawk,	47	47½	
North River Bank,	90	97		Harlem,	54	54½	
Tradesmen's Bank	117	123		Utica and Schenectady, †	113	114	

† Dividend of 4 per cent. taken off to-day.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.
AUGUST, 1846.

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ERRATA.

Page 61, line 2, for *April*, 1845, read *April*, 1846.
 " 66, " 25, for \$8,694,000, " \$4,564,000.
 " 68, " 13, for *profession*, " *possession*.
 " 69, " 30, for *change*, " "*Change*."
 " 71, " 29, for *July* 1, 1845, " *July* 1, 1846.
 " 69, " 37, for *mintrelsy*, " *minstrelsy*.

THE
BANKERS' MAGAZINE
AND
State Financial Register.

VOL. I.] NOVEMBER, 1846. [NO. V.

NATIONAL FINANCES.

It is understood that the secretary of the treasury has, within the last month, made application to various banks at New York and Boston for a loan or loans upon security of government treasury notes: the latter to bear an interest of five per cent. The application was, as well as we can learn, unsuccessful, the rate of interest being considered too low.

This, and the recent financial measures of the treasury, induce us to recur to the period of the late war with Great Britain, when, while Mr. Albert Gallatin was yet at the head of the treasury, the government was under the necessity of obtaining a loan to carry on the war, and to pay the current expenses of the years 1812, '13 and '14.

A loan of eleven millions having been authorised on the 14th March, 1812, Mr. Gallatin opened the books of subscription on the 1st and 2d May following, when the sum of \$ 6,118,900 was obtained from the banks and from individuals, as follows :

	From Banks.	From Individuals.
At Portsmouth, N. H.,		11,500
" Salem, Mass.,	20,000	102,900
" Boston, (State Bank,)	500,000	263,000
" Providence, R. I.,	80,000	14,200
" Hartford, Conn.,		6,200
" New York,	1,260,000	165,400
" Philadelphia,	1,045,000	525,800
" Baltimore,	210,000	611,800
" District of Columbia,	525,000	73,600
" Richmond, (Bank of Virginia,)	200,000	79,100
" Charleston, S. C.,	350,000	75,400
	<u>\$4,190,000</u>	<u>\$ 1,928,900</u>

Mr. Gallatin, on the 14th May, recommended to congress to authorise the issue of treasury notes for the amount not subscribed, viz. \$ 4,900,000, upon the following terms :

1. Not to exceed, in the whole, the amount which may ultimately not be subscribed to the loan.
2. To bear an interest of 5 2-5 per cent. equal to $1\frac{1}{4}$ cent per day on each hundred dollars.
3. To become payable by the treasury one year after date of issue.
4. To be in the meanwhile receivable in payment of all duties, taxes or debts due U. S.

Congress authorised, on 30th June, 1812, an issue to the amount of five millions of dollars. Of this sum, \$ 3,535,000 were issued between July and December, and a further sum of \$ 1,217,500, up to March, 1813.

In recommending the issue of treasury notes, Mr. Gallatin observed, in his report upon the subject,

“Although the experiment of issuing treasury notes be novel under this government, the solid security on which they rest, the facilities they will offer in making remittances, the interest they bear, and, above all, the power to apply them to the payment of duties and of public lands, induce a belief that, notwithstanding some difficulties incident to a first emission, the amount contemplated may be put in circulation before the end of the year.”

At that period, the old six per cent. and deferred stocks of the government were *two or three per cent. under par*, notwithstanding which the treasury succeeded, under Mr. Gallatin's administration, in obtaining loans, during the single year 1812, to the amount of \$ 13,100,200.

On the 25th February, 1813, congress authorised a further issue of five millions of treasury notes, and on the 8th of the same month also authorised a loan to the amount of sixteen millions. This latter was disposed of at about 88 per cent. The following letters, written at that time, will illustrate the negotiation, in 1813-'14, at this extraordinary depreciation:

Philadelphia, April 5, 1813.

SIR: In consequence of the notice given by the treasury department, under date of the 18th of March, 1813, that proposals will be received by you for the whole, or part of the residue of the loan of sixteen millions of dollars, we herewith beg leave to offer to take as much stock of the United States, bearing interest at six per cent. per annum, payable quarter-yearly, (the stock not to be redeemable before the 31st of December, 1825, at the rate of eighty-eight dollars for a certificate of one hundred dollars, as aforesaid,) as will amount to the sum of eight millions of dollars, or to the residue of the said loan, provided you will agree to allow us the option of accepting the same terms that may be granted to persons lending money to the United States, by virtue of any law authorising another loan for the service of the year 1813, that congress may pass before the last day of the present year.

It must be further understood and agreed to, that one quarter per cent. will be allowed us on the amount to which the present proposal will be accepted.

With regard to the payment of the instalments on the amount to be loaned by us, we shall expect to enter with you into such arrangements as will be mutually accommodating.

We are, with high regard, sir, &c.,

DAVID PARISH,
STEPHEN GIRARD.

HON. ALBERT GALLATIN, Esq., *Secretary of the Treasury.*

To be paid at Stephen Girard's bank.

STEPHEN GIRARD,
For self and David Parish.

Philadelphia, April 5, 1813.

SIR: I will take for myself, and my friends in New York, two million and fifty-six thousand dollars' worth of the loan authorised by congress in February last, receiving six per cent. stock, at the rate of eighty-eight dollars, money, for one hundred dollars of six per cent. stock, payable in New York, by instalments, as proposed by you, or as may be otherwise agreed on. *I understand that, in case government should make another loan during the year, I am to be placed on as good footing as the lenders of money, or contractors for that loan, will be.* I also understand that I am to receive the quarter per cent. which is to be paid to persons procuring subscriptions to the present loan.

I am, very respectfully, sir, &c.,

JOHN JACOB ASTOR.

HON. ALBERT GALLATIN, *Secretary of the Treasury.*

Washington, 4th Mo. 30, 1814.

RESPECTED FRIEND: I will loan to the government of the United States five millions of dollars, receiving one hundred dollars six per cent. stock for each eighty-eight dollars paid; and will pay the money in the proportions and at the periods mentioned in thy advertisement of the 4th of April, to thy credit, in such banks in the United States as may be agreeable to thee.

On the payment of each instalment, and satisfactory assurances for the payment of the others, funded stock to be issued; *it being understood and agreed that, if terms more favorable to the loaners be allowed for any part of the twenty-five millions authorised to be borrowed the present year, the same terms are to be extended to this contract.*

The commission of one quarter of one per cent., mentioned in thy advertisement, to be allowed me on the amount loaned.

With great respect and esteem, I am thy assured friend,

JACOB BARKER.

The Hon. GEORGE W. CAMPBELL, *Secretary of the Treasury.*

At this critical period, the receipts of the general government were, for one year, ending 30th September, 1813, arising from customs, sales of land, and ordinary sources, only \$ 13,568,042.

Mr. Jones, who assumed the head of the treasury in the spring of 1813, was also in favor of treasury notes. In his report to congress, January, 1814, he says:

"Although the interest paid upon treasury notes is considerably less than on funded stock, yet the certainty of their re-imbursement at the end of one year, and the facilities they afford for remittances and other commercial operations, have obtained for them a currency which leaves little reason to doubt that they may be extended considerably beyond the sum of five millions of dollars, hitherto authorised to be annually issued."

To the loan of \$ 7,500,000 authorised by congress, on the 30th August, 1813, the following were the subscribers, among prominent and wealthy citizens, thus evincing a laudable zeal to support government measures.

Jonathan Smith, of Philadelphia,	\$2,152,000 00
Jacob Barker, of New York,	1,435,000 00
Ralph Higinbotham, of Baltimore,	1,435,000 00
Quintin Campbell, of Philadelphia,	468,000 00
Fitz G. Halleck, of New York,	288,000 00
Thomas W. Bacot, of Charleston, S. C.,	221,000 00
William Cochran, of Boston,	151,000 00
George T. Dunbar, of Baltimore,	147,000 00
G. B. Vroom, of New York,	144,000 00
Henry Kuhl, of Philadelphia,	144,000 00
Isaac McKim, of Baltimore,	144,000 00
Whitehead Fish, of New York,	118,000 00
John Duer, of Baltimore,	118,000 00
William G. Cochran, of Baltimore,	110,000 00
Jacob G. Koch, of Philadelphia,	108,000 00
William Whann, of Washington,	73,000 00
James Cox, of Baltimore,	72,000 00
Thomas Cumming, of Augusta, Georgia,	72,000 00
The navy pension fund,	100,000 00
	<hr/>
	\$7,500,000 00

Mr. Secretary Campbell also recommended the issue of treasury notes at an advanced rate of interest, as follows:

"It is also submitted for the consideration of congress, whether treasury notes might not, by augmenting the rate of interest they now bear, and securing its payment, as well as their eventual reimbursements, by an adequate revenue pledged for that purpose, be placed on a footing better calculated than at present to sustain their credit, encourage their circulation, and answer with more certainty the purposes of government."

And the committee of ways and means in congress, October, 1814, made a report, of which the following is an extract:

"That taxes, loans, and treasury notes, appear to be the resources on which we must rely for carrying on the war. The product of the first cannot be commanded in time to meet the immediate demands on the treasury. A reliance on loans, in the present situation of this country, would be uncertain, and the terms on which they could be obtained, not such as to induce a resort to them at the present moment. Treasury notes, combined with a system of taxation more extended than the one heretofore adopted, will, it is believed, in the present state of bank credit, be found to be a much better resource. The want of some medium which, resting on a firm and solid basis, may unite public confidence, and have a general, instead of local circulation, is now universally acknowledged. The stoppage of specie payments by the principal banks of the middle states, has embarrassed greatly the operations of the treasury; and by confining the circulation of notes to the limits of the states within which they are issued, has deprived the government of all the facilities in the remittance of money which was afforded while public confidence gave to bank notes a general circulation. The notes of New York and Philadelphia will not be received in Boston. The notes of Baltimore, or of the District of Columbia, will not answer for payments in Philadelphia. If, by any new modification, treasury notes could be made to answer the purposes of a circulating medium between the different states, they would greatly facilitate the operations of the government, and

free from embarrassment, the transactions of individuals. To secure their circulation, it would be necessary—

“1st. To issue the notes in sums sufficiently small for the ordinary purposes of society. 2d. To allow the individual who holds them to fund them at pleasure at any of the loan offices, and to receive their amount in stock of the United States, bearing an interest of eight per cent. 3d. To make them payable to bearer, and transferable by delivery. 4th. To make them receivable in all payments for public lands and taxes. 5th. To pledge for the payment of the interest on the amount issued, so much of the internal duties as shall be necessary. To prevent an accumulation of circulating medium, the United States to retain the power, on giving six months’ notice, of redeeming them with specie, or exchanging for them stock bearing an interest of eight per cent.

“If these provisions are adopted, and taxes imposed, which shall manifest clearly the ability of the government to meet its engagements, our present difficulties will vanish, confidence be restored, and the capital hoarded by avarice, or locked up from timidity, will be again restored to the accustomed channels of circulation.”

It is unnecessary to quote any further authorities in support of the policy of issuing treasury notes, when the wants of the treasury require increased resources, either temporarily or for a long time. The adaptation of treasury notes for a *national circulation* is unquestionable, as they possess undoubted security and uniform value at all points. It is, however, for the treasury to issue them of such denominations as shall make them available for business purposes, and not encumbered with endorsements and other forms which would interfere with their free circulation among all classes of the community.

A statement of all the Treasury Notes issued from 1812 to 1843.

1812, . . . \$ 2,835,500 00	1821, . . . \$ 324 00
1813, . . . 6,094,800 00	1837, . . . 2,992,989 15
1814, . . . 8,297,365 79	1838, . . . 12,716,820 86
1815, . . . 20,406,897 38	1839, . . . 3,857,276 21
1816, . . . 8,136,849 25	1840, . . . 5,589,547 51
1817, . . . 734,542 59	1841, . . . 7,993,560 50
1818, . . . 8,765 62	1842, . . . 3,425,329 87
1819, . . . 2,291 00	1843, . . . 1,518,150 00
1820, . . . 824 13	
	Total, \$ 84,611,833 86
Total amount received from loans, from March 4, 1789 to Dec. 31, 1843,	98,360,112 32

Total from loans and from treasury notes, since 1789, \$ 182,971,946 18

The above dates form a running commentary upon the financial policy of the government from 1812 to 1843. A close adhesion to the policy of Hamilton, Madison and Rush, aided by the Bank of the U. S., enabled the treasury to pay off, gradually, the public debt from 1816 to 1830. Not satisfied with a sound condition of government finances, a perfect system of domestic exchanges, and a national currency *at par in twenty-six different states*, the executive, in 1832, made a virtual abrogation of the treasury department, and assumed the control of the funds. History shows the results, in the lamentable state of affairs from 1835 to 1838, *et seq.*

STATE FINANCES.

INDIANA.

"There is no greater evil among men than a testament framed with injustice."

Our readers who take an interest (without *having* an interest) in the progress of resumption by the suspended states, will bear in mind the law of the last session of the Indiana legislature providing for a compromise with the creditors of that state. The object of the law was to induce the bondholders to relinquish their existing securities, for which the state would substitute new bonds, to the amount of fifty per cent. and give to the holders, in lieu of the other half, a lien upon the canal, canal lands, revenues and tolls.

SEC. 32. The state has the option at any time to require a surrender of outstanding stock issued under Sec. 1, by giving a new certificate for half of principal, bearing 5 per cent. interest per annum; which principal and interest shall be payable and redeemable by the state out of revenues thereof, the principal at the pleasure of the state; and another certificate for the other half of principal, at 5 per cent. interest per annum, but to be payable and redeemable only out of canal lands, tolls and revenues, as by Sec. 8; and from time to time when the state shall call in said stock issued under Sec. 1, and issue new certificates, its faith and revenues shall only be pledged for half of said principal and interest thereon at 5 per cent. interest per annum; and for the other half and interest, the holders of said certificates shall look solely to canal lands, tolls, and revenue, as by Sec. 8: Provided, however, that the state shall have the option of redeeming said canal certificates out of revenues of the state; and, provided also, that the excess of canal revenues, lands and tolls, after paying said interest of said 5 per cent. per annum, on said canal stock, if any there be, shall be applied to the redemption of said stocks.

SEC. 33. This act is to take effect only so soon as the subscription as required by Sec. 6, shall be made thereon, and 10 per cent. thereon paid up; the governor not to make a deed to trustees until there are surrendered and cancelled bonds of the state to the extent of half the outstanding bonds, excepting bank bonds: Provided, that the acceptance of lands granted by the United States shall not be construed to compel the state to finish the canal from revenues from taxation.

SEC. 34. Trustees not to interfere with charter for improvement of White River.

SEC. 35. State reserves the right of fixing by law the salaries of trustees.

Indiana has thus assumed the payment of three millions of dollars, for which nothing was ever realized by the state. Not only were the avails of the bonds to a large amount grossly squandered by the agents of the state, in the construction of its public works, but bonds to the amount of three millions *thrown away* by the mismanagement of the state commissioners of loans.

In order to carry into effect the new law of Indiana, Mr. Charles Butler of New York, and Mr. James H. Blake of Indiana, were deputed a committee to visit London, with a view to have personal consultation upon the subject with some of the foreign-bondholders. It is believed that they have succeeded in convincing the English bondholders that the state has the dis-

position to pay its arrearages, but cannot accomplish it now; and that they have also ascertained that the foreign holders are not in most cases, such wealthy persons as have been hitherto represented. We now republish the correspondence between Mr. Butler and some of the prominent London bondholders.

The active part taken by influential citizens in Indiana, Pennsylvania and Maryland, to induce a more healthy feeling among the people, and to bring about legislative action upon the subject of the resumption of state debts, is one of the best indications of the times. It is indicative of the approach of the true *Hamiltonian system* of public policy. There are no better principles of public action, in reference to state credit, than those of Washington's first secretary of the treasury, Alexander Hamilton: and if his sentiments were embodied by our state legislatures we would not live to see repudiation and suspension countenanced in any part of the union.

The recent law of Indiana will require some modifications, for it presupposes joint assent on the part of all the bondholders. This concurrence cannot be accomplished. Large portions of the bonds are held under public and private trusts, by persons and corporations who cannot make any change in the securities without involving themselves.

For instance \$600,000 are held by Rothschilds in Paris, and by Hope in Holland, as part of the collateral security for the loans raised by the United States Bank—which loans amount to \$10,000,000 altogether. With this \$600,000, neither Rothschilds nor Hope can interfere. The stock is not theirs, and a change would be at their own risk;—to be accepted or refused hereafter as the owners may see fit. The actual owners at this time being, very probably, quite ignorant that they are interested in Indiana bonds, and knowing merely that they hold the debentures of the bankrupt bank; and that, through bankers, they receive a modicum of interest, accruing from the Pennsylvania stock, which also forms a part of the security.

The proposal of Indiana would not probably have been even entertained, unless their agents had gone to London in person, to give effect to the necessary explanations. Each bondholder had his own views of the matter, all such views being founded in greater or less ignorance of the actual condition of the resources of the state.

The following are the documents in regard to the Indiana bonds:

London, 10th September, 1846.

We beg to submit a copy of Mr. Butler's communication, with an accompanying statement, dated the 10th September, instant, addressed to us, and to be informed whether, as the proposal of the 20th ult. cannot be carried out, for the reason stated, you are willing to become parties to a subscription for \$800,000, upon the principal laid down by Mr. Butler, pro rata, with other subscribers, upon the bonds we understand you to hold, viz.

Dollar Bonds,	:	:	:	:	:	:	:	:	:	\$
Sterling Bonds,	:	:	:	:	:	:	:	:	:	£

And also to change these bonds into certificates in the manner proposed in Mr. Butler's letter. You will likewise be pleased to say whether you will be ready to pay a deposit of 5 per cent. at the time proposed.

The favor of your reply is requested at your earliest convenience, not later than the 30th of September, in order that the necessary instructions may be given to Mr. Butler by the steamer of the 4th October, in conformity with the accompanying statement, provided adequate subscriptions be obtained.

We are, your obedient servants,

N. M. Rothschild & Sons; Palmer, Mackillop, Dent & Co.; Baring, Brothers & Co.; F. Huth & Co.; Morrison, Sons & Co.; Magniac, Jardine & Co.

London, September 10, 1846.

GENTLEMEN—As you have not been able to obtain access to an adequate number of the holders of Indiana bonds so as to obtain their consent to the act of the legislature in January last for the adjustment of the state debt, and as upon consideration it will appear quite certain that the object of the state to complete the canal to the Ohio river may be effected by a cash subscription of \$500,000, *provided* the revenues of the canal and a portion of the proceeds of the canal lands, including the outstanding contracts, be also applied to the completion of the work. I therefore beg leave to suggest that if bondholders in Europe, holding not less than four millions of dollars, will accept the act of the legislature upon the principle contained in it, and subscribe 20 per cent. on said amount, payable by instalments in four years, or a proportionably reduced subscription in case the amount exceeds four millions, I am inclined to believe that the legislature would assent to it. I feel satisfied that the legislature and people of the state generally will continue to be desirous to have this debt adjusted on the terms proposed, and as this arrangement would not conflict with the principle of the bill, but on the contrary be carrying it out as far as now practicable, I cannot but believe that the legislature, duly appreciating also the willingness of a portion of the bondholders to step forward, even without the present co-operation of the remainder, would regard such a proposal in a very favorable light.

It would be indispensable, however, that I should be enabled to assure the legislature that a subscription to this extent is actually made, and that the amount will be forthcoming immediately after the act should be modified as already suggested.

I annex a statement showing how the arrangement would work upon this basis.

I am, very respectfully,

Your obedient servant,

CHARLES BUTLER.

To Messrs. N. M. Rothschild & Sons; Baring, Brothers & Co.; Palmer, Mackillop, Dent & Co.; Magniac, Jardine & Co.; F. Huth & Co.; Morrison, Sons & Co.

STATEMENT.

London, September 10, 1846.

Property proposed to be assigned to trustees by the legislature for completing the canal to the Ohio river, estimated as under, viz.

Value of lands denoted by congress, adjoining and in the vicinity of the canal, for the specific purpose of finishing the work—sold and unsold—about one million of acres, . . .	\$2,400,000
Present and accruing tolls of the finished part of the canal during the next four years,	600,000
	<hr/>
	\$3,000,000

N. B.—174 miles are now in action and complete, 200 ditto unfinished, on which \$1,300,000 have been already expended by the state.

A contract is offered to finish the canal for the sum of \$2,010,000.

To aid the furnishing of cash funds upon the above property, it is proposed to raise from bondholders, by pro rata subscriptions, the sum of \$600,000, payable by instalments in four years, the interest upon which at 6 per cent. per annum will be paid half yearly in New York from the tolls of the canal now receivable, and the principal of this advance will be repaid as the lands may be sold and the money received.

It is understood, in the event of the subscription being obtained, that all existing bonds will be required to be exchanged for certificates as stated in the circular of 20th August, and the interest will be paid by the state upon the moiety of the principal chargeable on taxation from the 1st January, 1847, and to the extent of the interest so received the cash advance by the subscribers will be reduced.

The pro rata subscription will be further reduced by any amount of bonds upon which subscriptions may be agreed to be made before the 30th day of September, 1846, exceeding four millions.

And, further, by the receipts from any lands sold during the ensuing four years exceeding the amount required for completing the canal, estimated at about \$500,000, which from the low prices fixed by the state for the sale of lands in the vicinity of the line of the canal may be considered as the work proceeds.

Upon the foregoing data of assuming the present revenue of the canal to average \$150,000 per annum for four years, and that nothing be received from the sale of lands beyond \$5,000, (which amount the contractors for finishing the canal are to accept in part payment of their contract,) the following may be stated as the amount of the actual *cash advance* varying upon an amount of bonds subscribed for from four millions to eight millions, viz.

	Per cent.	Receipts from taxation.	Actual cash advanced.	Per cent.
If 4,000,000 the advance	20	\$800,000	\$320,000	\$480,000 or 12
If 5,000,000 would be	15	750,000	400,000	350,000 or 7
If 6,000,000 do	13	780,000	480,000	300,000 or 5
If 7,000,000 do	11	770,000	560,000	210,000 or 3
If 8,000,000 do	10	800,000	610,000	160,000 or 2

The amount of bonds outstanding is a trifle above \$11,000,000, and all bondholders have the opportunity of becoming parties to this reduced subscription.

It will be requested of the legislature that in conformity with the principle laid down in the present act, the subscribers to the advance shall have a priority of payment from the canal funds over non-subscribers as to the principal of their bonds as well as to the interest, which latter is already conceded by the state.

CHARLES BUTLER.

NOTE.—Since the above was communicated, we have advices from London under date October 3, which assure us that the loan of \$800,000 for the state of Indiana has been raised. Holders of her stock to the amount of four millions of dollars have signified their assent to the division of the state stocks into canal debt and state debt—and have also engaged to fund twenty per cent. on the amount of their bonds; this being the sum required to create the new loan, with which to prosecute to completion the great canal of the state.—*Editor B. M.*

PUBLIC CREDIT.

"Many poor, and many rich, have testified its popular omnipotence."

If the maintenance of public credit then, be so truly important, the next inquiry which suggests itself, is, by what means is it to be effected? The ready answer to which question is, *by good faith; by a punctual performance of contracts.* States, like individuals, who observe their engagements, are respected and trusted; while the reverse is the fate of those who pursue an opposite conduct. * * *

Credit, public and private, is of the greatest consequence to every country. Of this, it might be emphatically called the invigorating principle. * * *

Those who are most commonly creditors of a nation, are, generally speaking, enlightened men; and there are signal examples to warrant a conclusion, that when a candid and fair appeal is made to them, they will understand their true interest too well to refuse their concurrence in such modifications of their claims as any real necessity may demand. * * *

Credit is an *entire thing*. Every part of it has the nicest sympathy with every other part; wound one limb, and the whole tree shrinks and decays. * * * It is wisdom in every case, to cherish whatever is useful and guard against its abuse. It will be the truest policy of the United States to give all possible energy to public credit, by a firm adherence to its strictest maxims.—*Hamilton*.

We have the pleasure of republishing, for the benefit of our readers at a distance, the letter of Mr. J. J. Speed of Baltimore, addressed to a landholder of Maryland, on the subject of repudiation. The letter is couched in language which requires no comment from us to give it full force and application. It might as well have been addressed "to the people at large of the suspended states," and its appropriateness would have been, and may now be, felt by all who peruse it.

Pennsylvania has arisen in her strength from the stupor which had, for a short period, overcome her energies; and although encumbered with a public debt of forty millions of dollars, and subject to an annual outlay of two millions for interest, and of a million and a half for incidental expenses, yet she is fully awake to the importance of prompt action within herself. With New York on one side and Virginia on another, and Ohio on her western borders, *all faithfully and strictly paying their liabilities*, and with New Jersey on the eastern extremity, free from public debt, Pennsylvania may well see the utter necessity of standing erect among the bond paying states of the Union.

Pennsylvania cannot repudiate the powerful language of Hamilton, which was so forcibly promulgated for the first time within her own borders, in his eloquent appeals upon the subject of **STATE CREDIT**. Nor can the American people too frequently recur to those well established principles of finance which emanated from the first secretary of the treasury of the United States.

There is but one state in the Union, upon its Atlantic borders, which now submits to a *protest*—that state is Maryland, the home of a Howard, a Pink-

ney, and a Wirt. These eminent men had gone to rest before the glory of their state had become tarnished; before repudiation dared to raise its dastard head within her limits.

Let us hope that Maryland, with such statesmen for her own, and with the cotemporary example of New York, and the "old dominion," will now *confess judgment* to her creditors, and make the *amende honorable*. The resources of Maryland, for the year 1846, according to the committee of ways and means, will be equivalent to

\$ 927,456

While her liabilities for the year amount, viz.

Interest on public debt of the state,

\$651,821

Ordinary expenses of the state government,

198,653—850,474

Showing a clear surplus of \$ 76,982.

Pennsylvania on the other hand, is compelled to raise, during the present year, \$ 3,500,000, quadruple the expenses of Maryland. Then look at her other neighbors. Virginia has a *surplus* this year, of \$ 191,516. New Jersey has a surplus revenue for the year, \$ 95,331, and *Massachusetts is loaning portions of her funds upon bond and mortgage*. New York, in the new constitution, proposes to extinguish her public debt entirely, by an annual appropriation of about seventeen hundred thousand dollars; and the legislature is forbidden to create hereafter any debt or debts exceeding, in the aggregate, *one million of dollars*.

Maryland may look farther west for examples of credit and economy. Kentucky has a public debt of \$ 4,400,000. Missouri only one million: a debt *so enormous*, that her new constitution provided for its total extinguishment at an early day, as well as the abrogation of the only bank charter in the state.

And at the south! We see South Carolina, with an existing debt of \$ 3,234,000. "Up to this time, all interest and each instalment of principal as it became due has been punctually paid. There seems every reason to believe that each future instalment of this debt will be met, *and the whole amount extinguished through the means provided and set apart by the state for that purpose.*" (*Vide Governor Aiken's message, 1845.*) This is a political or financial *abstraction* which would sound well on the shores of the Chesapeake. A small portion of the public debt of this state was created as a contribution to the family of Thomas Jefferson: a larger portion for the purpose of rebuilding the city of Charleston after its destruction in 1838: and further, in the obligations incurred during the revolutionary war.

Maryland need not look further south or west for examples. These are amply sufficient. All that is now necessary for her to do in the premises, is to put her own shoulder to the wheel, and from her own resources, extricate the state from its existing dilemma. If the legislature, at its approaching session, (December,) will take the matter urgently in hand, pursue then a straightforward and upright course, Maryland can be restored to its former fair position in less than six months. By funding the present arrearages

of interest upon her debt, and creating a six per cent. stock for the amount, the creditors will be better satisfied than with any other proposition yet made. The state is abundantly able to take care of its current liabilities, if the past coupons were out of the way.

The letter of Mr. Speed, which we now place before our readers, has been republished in one or more of the London daily journals, with much commendation. We can hear with advantage, at times, what is said abroad of us, as a nation, and it becomes us to listen with attention to the language of those who may be considered as the organ of our state creditors. The London "Morning Post," in reprinting one of the letters of Mr. Speed, makes use of the following remarks, November 3, 1845:

"During the late long period of excitement in the railway share market, less attention has been paid to other things than their importance has, in several instances, seemed to deserve. Such has been the case with respect to the financial progress of the United States, which had, for the moment, been almost entirely lost sight of. The resumption of payment by Pennsylvania of the dividends on her state debt, was a measure of much interest to the British holders of the stock. Of scarcely inferior importance will be deemed a like resumption on the part of the opulent and rapidly advancing state of Maryland, whenever it shall occur, and the day, we have the satisfaction to learn, is very near at hand. The views of Mr. J. J. Speed of Baltimore, on the subject of the debt of Maryland and state liabilities generally, have been repeatedly echoed in the columns of the Morning Post. The hopes of this gentleman, that justice would, eventually, be done to the creditors of his native state, have been sanguine, even in her darkest days, and, much to his honor, he has labored hard to relieve her from the reproach cast upon her by the unfortunate act of suspension. It must be no less gratifying to him, therefore, than to the stockholders, to learn, at length, that his anxious exertions in their behalf are on the point of being crowned with success. The following letter, from the able pen of Mr. Speed, addressed to a landholder of Baltimore county, as well as the commercial information generally received of late from the city of Baltimore, would appear to leave no doubt that payment of the state dividends of Maryland, will be resumed on an early occasion. * * *

In this eloquent and classical appeal, the object of Mr. Speed, is evidently to stir up the patriotism of his countrymen, in quarters where he fears it may be slumbering, and to create, to the extent of his influence, which is great, a sounder and healthier sentiment in the minds of the American people, with respect to the observance of public engagements."

Under another date, the editor of the Morning Post alludes to this subject in the following terms:

"The powerful advocacy which has been afforded to the claims of the American state bondholders, by Mr. J. J. Speed of Baltimore, has given great prominence to the name and opinions of that gentleman. The correct knowledge of the character of the people of Maryland displayed by Mr. Speed, and his uncompromising hostility to the principle of repudiation, have, on several occasions, been noticed in the columns of the Morning Post with expressions of approbation, but scarcely with the full measure of praise due to the individual, for it must be of great advantage to the holders of the bonds of Mississippi, Indiana, Illinois, Louisiana, and other states which have omitted to provide for the discharge of the dividends accrued

upon them, to have the leading men of the leading cities remonstrating at every possible opportunity, and in language the most energetic that they command, against the breaches of engagement committed towards the public creditors. The whole of Mr. Speed's appeals, show how sensitively alive he is to the importance of an undeviating observance of national faith and national contracts. He is evidently stung to the quick by the temporary failure of his native state, in paying the interest of her debt; and there are in Maryland many others who fully share in the deep mortification he evinces. The fact is indeed as perfectly notorious in England as it is in the United States, and in this circumstance, is to be found the surest guarantee that the epithet *temporary* applied to the case in Maryland, is one that has not been unadvisedly or improperly selected. With regard to the course that may be taken by the states less advanced in civilization and less abounding in natural and commercial advantages, there may be some difficulty in speaking with confidence, but the examples of the great and enlightened state of Pennsylvania can hardly fail to make a strong impression upon the indebted, though not equally favored states, in other parts of the Union. Better prospects are already dawning on the former (Maryland) as well as, we believe, the latter; also of the states named, and it would appear that the most active exertions are making with a view to the early resumption of payment of the dividends."

The odium attached to the Americans as a people, by the unfortunate acts of suspension, has been clearly demonstrated to our citizens who have gone abroad, either to England or to the continent. The effects of suspension are clearly shown in an extract from a letter written by a prominent American merchant (from the state of Maryland) resident in London, viz.

"The reverses of fortune here, caused by repudiation and non-payment of interest by several of the states, are therefore wide spread, and in many cases truly distressing. Among the members of the Oriental Club (composed of officers who have served in India) nearly 300 are owners of the stocks I have named, and many of them are in consequence reduced almost to beggary. A grandson of the founder of one of our largest and richest states, from affluence has been reduced to want, by his confidence in republican institutions and investments principally in the stock of that state. I could enumerate many similar cases, but will conclude with one which does great honor to the feelings of the senior partner of one of the first commercial houses here—a gentleman of high character as a man, and almost senior *merchant* of London. Since 1837, his house has made large investments in American stocks for friends and correspondents, and until lately had the most implicit confidence in their safety. Among those that invested was a widow of small income, who, by his recommendation, sold 3 per cent. consols and bought \$6,000 of 6 per cent. Illinois bonds at 80. In less than a year this state was unable to pay her interest, and the lady was deprived of her principal means of support. The gentleman, however, with praiseworthy liberality, took the bonds and placed in her possession the original amount of consols, thereby losing himself about £800. He did not do this because he thought he was legally or morally bound, as he acted from the purest motives, but after the downfall of American credit he felt that he ought not to have recommended the change. I would not have mentioned these facts but to show the unpleasant situation in which all the great houses here are placed by having introduced and recommended American securities. They feel that they have lost *caste* with the public and all the pride and satisfaction which heretofore attended their business has vanished in consequence of

constant applications by their friends (who invested through their instrumentality) to know when defaulting states will pay dividends—whether their bonds will be repudiated, &c. At the time these state stocks were brought forward, they were thought most safe—quite as much so as those of the general government at this period—and were recommended to the public accordingly.”

The state stocks held in Europe, were originally purchased at high rates; such was the rage for many years for any stocks professing to pay six per cent. interest. The American stocks sent to Europe for sale, were therefore seized upon with avidity and with perfect confidence.

The Maryland loan of three millions, six per cents., was contracted for in 1836 at a fraction beyond *sixteen per cent. premium*, thus realising to the state a very handsome surplus. This stock now forms a part of that for which the state is now under protest.

The state owns the following amount of productive stocks :

Bank stock,	\$510,966
Baltimore and Ohio rail road,	1,050,000
Bonds of the Susquehanna and tide water canal,	1,192,500
Bonds of the Baltimore and Susquehanna rail road,	1,884,045

Total, \$4,637,501

The unproductive stock held by the state is that of the Chesapeake and Ohio canal, the bonds of which it holds to the amount of . . \$7,163,724
On which the arrears of interest are 2,159,444

Total, \$9,323,168

These facts will demonstrate that Maryland can, *if she pleases*, resume on or before July 1, 1847; and let it not be any longer said that she stands alone on the borders of the Atlantic,

“Instead of freedom’s honest pride,—the spirit of a slave.”

Now that the ability of the state is shown, let not the private interest of a few, *who would pay their debts at seventy cents on the dollar*, deter her from resuming her former position as a bond payer and as an upright member of the Union.

“What should he barter for his freedom? some petty gain of gold?

And do they gain? they gain but loss; *a little cash, with scorn.*”

The resources of Maryland are very large—her exports of breadstuffs and tobacco are becoming more extensive every year. The crops for 1845 were estimated as follows:

	Wheat.	Oats.	Rye.	Corn.	Tobacco.
Bushels, 4,884,000	1,691,000	944,000	3,723,000	17,920 hhd.	

Sinking Fund.—This fund amounted on 1st Dec., 1845, to \$1,411,911, having been increased the preceding year \$135,000, and the treasurer of the state informs us that it has undergone no material change since.

Property Assessments.—The assessed value of property in the several counties

of the state was in 1845. \$177,189,600, and the value for the present year will be about \$200,000,000.

Interest.—Of the annual interest payable by the state on its debt, \$344,250, are payable at the loan office in Baltimore, and \$311,172 in London.

Let not Maryland postpone the day of recompense. Let her not throw the burdens of *to-day* into the lap of *to-morrow*.

“Wouldst thou be bold against the past, and all its evil memories,
Wouldst thou be safe amid the present, its dangers and temptations,
Wouldst thou be hopeful of the future, vague though it be and endless?
Haste thee, repent, believe, obey ! * * *
Zealously go forward with integrity, and God will bless thy faith ;
Blow the trumpet, spread the wing, fling thy scroll upon the sky.”

PUBLIC DEBT OF MARYLAND.

BALTIMORE, 12th October, 1846.

TO THE EDITOR OF THE BANKERS' MAGAZINE :

Recent developments have satisfied me, very firmly, that the sentiments of my letters, heretofore published on this subject, were the sentiments of the great masses of my fellow citizens ; that those sentiments, from the culture which they naturally received in honest breasts, have ripened into a fixed and universal purpose to lift up and re-establish the state's honor, and to restore the public faith.

The two last general elections have brought us hearty and resolute expressions of this determination from every county in the state ; and, I affirm, that there is not now left an election district in Maryland, where an advocate of repudiation could get a dozen intelligent votes for the smallest office in the gift of the people. In our own good city of Baltimore, I am proud to state, we have a tax paying community of unexampled rectitude. In its darkest precincts, in its obscurest suburb, no repudiator or tenet of repudiation can be found. Yet here the loads of taxation are doubled and trebled upon us. The great public works we are constructing, the charter levies, the demands for the public exchequer present an accumulation of burthens ; yet the tax-gatherer is met with cheerfulness, and if his demands diminish the dishes upon our tables, deprive us of the luxuries and even of some of the comforts of life, he is, nevertheless, met with cheerfulness ; he is regarded not as a foe, but as a minister to our honor. I do not mean, by all this, to say that our burthens are so heavy that we cannot long endure them ; quite the contrary—for while they are something heavier than those of New York and Massachusetts, they are exceeded by those of Pennsylvania, and are three-fold lighter than those of Ohio. The truth is, our people have been spoiled, heretofore, by an entire exemption from taxation. They

were unaccustomed to it until our present troubles. The state, possessing a large fund in the stocks of the banks—the proceeds of extensive confiscations of real property, made immediately after the revolution—derived such a revenue from it, as, when added to the yield of a slight system of indirect taxation, supported the government. And so their minds have not been enured to these things. They have been enjoying the blessings and protection of government, without themselves supporting it; and this, I sincerely think, has been anything but an advantage to them. In the first place, they would have weighed the expenses of government better had they themselves supported it; and, above all, they would have been less likely to have contracted this large debt, if it had been palpable to them, from the teachings of experience, that they would have to redeem it by their own labor and toil. The monitor is, however, now amongst them, and they will not, soon, forget his salutary instructions. I proceed to the second branch of the inquiry. In my judgment, the legislature have erred in not ordering a resumption of payment before this; but to them have we delegated this trust, and it is our duty to defer to their views of prudence. No division has been among them upon the main question of ultimate payment; they have differed, only, as to the *time* for permanent resumption. The revenue laws have been multiplied and strengthened at each succeeding session; deeds, devises, notes, bonds, inheritances, lands, chattels, incomes, salaries, trusts, official commissions—have all been taxed, by the most searching provisions of law; the treasury has been replenished, the sinking fund is most prosperous, and I hazard the opinion that the next session of the legislature will not pass without a positive, *bona fide* and permanent resumption of the payment of the interest of our debt. The public mind will tolerate no further delay. About the early removal of the principal of the debt, by the growth of the sinking fund, the public need have no apprehension. It now amounts to more than one-sixth of the whole debt, and will soon absorb it when the accumulation of interest is checked. It is my opinion, that all propositions to fund the back interest in stocks of less than six per cent. are fraudulent. At any rate, no back interest can be funded, with even a show of justice, at a less rate than the stock bore from which it proceeded.

We cannot, with honesty, withhold another's money, against his will, and then dictate to him a less rate of interest than the general laws of the state allow. To do this, I hold, would be to mar entirely the reputation of complying with our faith. It would be compounding our honor in the same degree that individual character would be lost by dictating partial payments to personal creditors, when we had enough to pay all. No, no; when we pay, let us pay all; let not the credit of the act be diminished by any compounding or trafficking settlements. Such compromises can only be honorable where there is an absolute deficiency of means to pay a whole debt.

Yours, very respectfully,

J. J. SPEED.

SAVINGS' BANKS.

ON THE ORIGIN AND PROGRESS OF SAVINGS' BANKS.

From the London Bankers' Magazine.

It is probable, that during the last and present centuries, there have been more public writers whose works have directly tended to attract general attention to the means of ameliorating the condition of the poor than during any previous centuries. No arrangement, however, next to providing employment for the poorer classes, and by it the means of present subsistence, was so important as that of affording them the opportunity of husbanding their resources, to form a provision against declining age and future necessities. Such an arrangement, at first only partially effected by the institution of the friendly societies, would, it was expected by the founders of deposit banks for the safe custody and increase of small savings belonging to the industrious classes, have been completed through the medium of those institutions; but, although large sums have been, from time to time, accumulated in them, the proportion belonging to the poorer classes has, it is feared, formed but a very small item. Among the principal advocates for the foundation and extension of Savings Banks, as displayed in their various works on the subject, may be named Rose and Colquhoun in England; Bernoulli and De Candolle in Switzerland; Krause and Malchus in Germany; and Delessert and Prevost in France—the last is the present zealous and talented comptroller of the Paris Savings' Bank, consisting, at the present time, of a central office and sixteen branches.

It has been stated by a German writer on the subject of savings' banks, that the first savings' bank in Europe, of which there is now any public record, was established at Berne, in Switzerland, in 1787; that about the same time another was established at Geneva; and that in the year 1792 a third was established at Basle. From that period, the number of savings banks in Switzerland has gone on gradually increasing. As regards England, it appears certain, although there has been some controversy on the subject, that the first institution here, approximating in its character to the existing savings' banks, though on private, not national security, was established in the year 1798, at Tottenham, in the neighborhood of London. Subsequently, several similar institutions were founded, viz. at Wendover in 1799; at West Calder, and at Ruthwell, in Scotland, in 1807 and 1810; at Bath in 1808; at Edinburgh in 1813; and at London, and other places, in 1816. The dates of the first acts of parliament, by which the government undertook at the public expense, and on national security, the support of savings' banks, are the 11th and 12th of July, 1817; and within a few months after that period, there were about one hundred savings' banks in England. This number has gone on gradually increasing; and on the 20th of November, 1842, the date up to which the last printed parliamentary return on the subject was made up, it amounted to 562 in the united kingdom.

It was not until the year 1818 that France imitated the example of Switzerland and England, in the establishment of savings' banks, the first institution of the sort in that country being opened in Paris, on the 15th of November, in that year.

Others were very soon afterwards established in the different provinces; and the total number of them on the 31st December, 1844, was 332, exclusive of the Paris Savings' Bank and its branches. In addition to Switzerland, England and France, savings' banks for the poorer classes have been established, within the last few years, in almost all the other countries in Europe.

SAVINGS' BANKS IN SWITZERLAND.

As Switzerland may be considered the parent country of savings' banks, some information on the subject of those institutions there, and of the use made of them by the laboring population, extracted from Dr. Bowring's report on the commerce and manufactures of Switzerland, addressed to the lords of the committee of privy council for trade, and dated the 30th of April, 1836, may be interesting, although not brought down to a very recent period.

In the canton of *Appenzell*, savings' banks are established in almost every parish, but the working classes seldom deposit in them any of their earnings, preferring to buy with them houses, land, furniture, or such like property. In the canton of *Neufchatel*, the ambition of a workman is to invest the fruits of his economy in the acquisition of land, and, until he has the means of so doing, he has the advantage of a savings' bank, which is administered gratuitously at Neufchatel, and the directors of which lend the money at 4 per cent. on landed or other undoubted security, paying the depositors interest at the rate of 3½ per cent. Out of a population of about 56,000 persons, there were 3,084 depositors in the Neufchatel Savings' Bank in 1834.

In the canton of *Basle*, a savings bank had been established several years; in 1834, its capital amounted to 353,000 francs. No individual is allowed to put in more than 60 francs per annum, and the interest is three per cent. per annum. There are also other establishments in the same canton, under the inspection of the municipal authorities, for the safe employment of very small sums.

The *Geneva Savings' Bank* owed its establishment to a councillor of state, M. Tronchin, who devoted a sum of 160,000 florins, and the interest thereon at four per cent. for sixteen years, to guarantee the security of the depositors' money. Among the fundamental articles, dated 5th August, 1816, of the Geneva Savings' Bank, one was, that the object should be to receive deposits of small sums only from workmen, artisans, servants, and others of the poorer classes. Another was, that deposits should remain for one year, and that three months' notice should be given of withdrawal; and a third was, that no individual should be allowed to deposit more than 500 florins annually, nor become a creditor for more than 2,500 florins. On the 20th June and 13th November, 1822, the council of state made additional regulations, and among them was one, that, considering the necessity of confining the institution exclusively to the poorer classes, the managers should be specially required to guard against individuals availing themselves of the bank, who are not of the class for whose benefit it was instituted.

The assets of the bank are placed in mortgages on property in the canton, and in commercial bills, having a sufficient number of satisfactory endorsements.

The committee of the bank were engaged, at the time when Dr. Bowring prepared his report, in providing a method of enabling the creditors to the amount of 2,500 florins, to invest their capitals in satisfactory securities, so that they might commence fresh savings.

The amount due by the bank on the 31st December, 1835, to 7,279 depositors, was 5,136,171 florins; and the value of its assets on the same day was 5,577,765 florins.

After the example of the council of state of Geneva, and the managers of the savings' bank there, the propriety of making some precise and general regulations as to the classes of persons to be admitted as depositors in our own savings' banks, and as to the disposal of their deposits when they obtain, with interest, the maximum amount allowed, might, and it is hoped,

will come under the consideration of the government during the present recess. Had the small section of paid officers of savings' banks directed their attention to these and similar points at their numerous meetings held in London at the St. Martin's Place Bank in May, June, and July last year, and assisted the chancellor of the exchequer with their suggestions on the subject, they would have done more to promote the real benefit of the legitimate depositors, on whose sole behalf their agitation was pretended to be carried on, and would have displayed a less interested feeling, than by concocting and propagating mischievous statements—some of them unfounded, attacking the government and national debt commissioners, principally on the ground of mismanagement of the savings' banks funds, and other transactions connected with them; proceedings and conduct which Mr. Goulburn very properly regarded as an impertinent interference on their part, as public servants in the receipt of public money, with circumstances, which, as truly stated by him in the house of commons, when the savings' bank bill was considered in committee, they had no business to meddle with, and which had nothing whatever to do with the principle of the measure he, as the financial agent of the public, had thought proper to introduce.

SAVINGS' BANKS IN FRANCE.

At a general meeting of the directors of savings' banks, recently held under the presidency of M. Menjamin Delessert, the report of the operations during the year 1844 was read. From this it appeared that the amount of the sums paid in during the year, was 46,940,000f., and the reimbursements 39,674,000f., leaving a balance of 7,275,000f., which, added to the balance in hand at the end of 1843, makes the total deposit in hand 112,061,000f., due to 173,000 depositors on the 31st December last. There were 35,750 new depositors during 1844. The average of the sums paid in by the new depositors was 174f.; that of all the sums paid in, 140f.; that of the reimbursements, 433f.; and that of the 173,000 balances of books, 646f. The bank has established a new branch at Batignolles, making a total of sixteen branches. The books given to 1,762 children by the Duke of Orleans, amounting originally to 40,000f., now amount to 180,000f., from additional payments made by the parties; a proof of the beneficial results of the bounty of the deeply regretted prince. The bank has purchased the house, No. 12, in the Rue des Vieux Augustins, which has made this fine establishment complete. The president stated the payments made into the central bank by all the departmental savings' banks during 1844. The sums due to them on December 31, amounted, comprising the Paris Bank, to 392,000,000f., being 42,000,000f. more than at the end of the preceding years. The report contains many other details on the statistics of the new depositors, on the provisions of the new law, and on the means of giving a greater extension of the useful institutions.

NEW FRENCH SAVINGS' BANK LAW.

We respectfully invite the especial attention of the chancellor of the exchequer; of Mr. Hume, M. P.; of Mr. Higham, the comptroller and secretary of the national debt office; and of Mr. Tidd Pratt, the certifying barrister of our own savings' banks, to the following *law of the 22d June, 1845*,

relative to the savings banks in France, which we have received from Paris late in the month, and of which we beg to present the following translation. The 1st and 6th articles are deserving of particular attention.

Article 1st—Depositors in savings' banks, may pay from 1 franc to 300 francs (£12 sterling) weekly, but no payment shall be received on any deposit account amounting to 1,500 francs (£60 sterling.)

Deposit accounts may, however, be increased to 2,000 francs (£80 sterling,) by the capitalisation of interest.

Article 2d.—Substitutes in the land and sea forces shall be permitted to deposit, in one payment, the price stipulated in the act of substitution, to whatever sum it may amount.

Seamen, borne on the registers of the maritime inscription, shall, in like manner, be permitted to deposit, in one payment, the amount of their pay, discounts, and rewards (*solde, décomptes, et salaires*;) at the time either of their embarkation or of their disembarkation, but shall not be permitted to exceed the maximum determined in the 1st article.

A regulation of public administration shall decide the forms in which the origin of the funds permitted to be deposited in these exceptional cases shall be certified.

Article 3d.—Whenever a deposit account may have reached the maximum amount fixed in the 1st article, it shall cease to bear interest.

The present regulation shall not, however, be applied to the deposits designated in the first paragraph of the 2d article, but they shall be excepted from it only during the period of the service of the substitutes.

Article 4th.—Mutual benefit societies, duly authorised, shall continue to be permitted to deposit as much as 6,000 francs (£240 sterling,) and the deposit accounts of these societies may amount, by the accumulation of interest, to 8,000 francs (£320 sterling.)

If they should exceed this amount, they shall be subject to the regulation in the first paragraph of the preceding article.

Article 5th.—No person shall have more than one deposit account in the same savings' bank, or in different savings' banks, under pain of losing the interest on the total amount of the sums deposited.

Article 6th.—Any depositor, the amount of whose deposits may be sufficient to purchase an annual income of 10 francs (*une rente de dix francs*) at least, shall be allowed to obtain, on demand, through the medium of the managers of the savings' bank, and without any expense, the conversion of his deposits into an inscription in the great book of the public debt.

Temporary Article.—From the 1st January, 1847, sums deposited previously to the present law, and which may exceed 2,000 francs (£80 sterling) shall cease to bear interest, until they have been reduced below that maximum amount.

FOREIGN BANKING ESTABLISHMENTS.

From the London Bankers' Magazine.

THE BANK OF FRANCE.

In the present paper we intend to notice briefly the origin, constitution, privileges, and general business transactions of the *Bank of France*: it is an establishment of so much importance, that we think the information we have collected on the subject will be found both useful and interesting to those who have hitherto known the Bank of France only by name.

We need not dwell at much length on the early history of banking in France, in order to render our subject intelligible; the celebrated *Law* endeavored to procure for the French people the advantages of a sound banking establishment, when he commenced his private bank, under the authority of letters patent, bearing date the 2nd and 20th May, 1716. The benefits expected from that bank were, indeed, in the first instance, fully realized and appreciated; but they were quickly counterbalanced by blunders, and forgotten amidst the general wreck that ensued.

Sixty years afterwards, a bank of discount, established on the petition of *Sieur Bernard*, by virtue of letters patent, dated 24th March, 1776, nearly on the same principle as Law's private bank, circulated bills, payable to bearer on demand. This establishment did great service, until a needy and rapacious government contrived to drain it of its already precarious resources, and finally caused its ruin, by involving it in its own discredit.

With the same views, and on similar principles, were formed, under the directory and consulate, several private establishments, particularly the bank of discounts and accounts current, which was founded in 1800, when specie was re-appearing after the failure of assignats. This bank, at a later period, superseded all others, assumed the name of the Bank of France, and was established on the footing on which it has, with slight modifications, continued up to the present time, by a decree of the 11th Germinal, year 11.

The principles on which the Bank of France was finally settled by Napoleon, who may be considered as its real founder, are, that a bank should accept none but good securities, that is, discount only such bills as are current among bankers and wholesale dealers, and consequently not liable to risk; and limit its further dealings to the purchasing or selling of bullion, and foreign gold and silver coin. He would not allow it to be a trading concern, or to lend money on goods and shares, the fatal consequences of which license, when granted to banks, were exemplified in many countries in 1838.

Napoleon required the banking system to be conducted on the principles which should guide all founders of banks whose intentions towards the public are upright, and who are desirous of preventing catastrophes. He remodelled the bank three several times, in his endeavor to make all necessary provisions, and allotted to it a capital of thirty millions of francs, of which he advanced a part out of the funds in the hands of the receivers general. This bank produced an immediate reduction of the rate of interest; but, three or four years afterwards, he became aware that the competition of other similar establishments, which had been suffered to co-exist with it, was prejudicial to it, and would ultimately cause its downfall. By a decree of the 11th Germinal (May, 1802,) he suppressed its rivals, and conferred upon it the exclusive privilege of issuing notes payable to bearer. This proves that he had come to a right conclusion as to a fact demonstrated by more recent experience, that two banks in close proximity, invariably accelerate each other's ruin.

Thus by one decree Napoleon allotted thirty millions of francs to the establishment he had created, and called it the Bank of France; and by another he removed all rivalry, and raised its capital to forty-five millions of francs.

Lastly, in 1805, when he was at Austerlitz, he received intelligence of its having suspended payment. In the true spirit of a Russian despot, he cancelled all the contracts that had been entered into, re-established the bank a third time, and placed it nearly on the footing on which it now stands, that is, he raised its stock from forty-five, to ninety millions of francs, and gave it a monarchical instead of a republican form of administration. It had been governed by deliberative committees: he appointed a governor and two deputy governors; and enacted that its board of management

should consist besides of three receivers general, as representatives of the treasury, fifteen regents, and twelve members of the discount committee.

The bank is a joint stock company; the number of shares on the 1st of last January was 67,900, divided among 4,207 shareholders.

Present Organization and Management.

The Bank of France is now governed by a board of general management, consisting of one governor; two deputy governors; fifteen regents; and three censors; the governor and deputy governors are appointed by the king; the regents and censors are elected at a general meeting of the shareholders.

The board takes cognizance of all matters appertaining to the bank; it is sub-divided into five committees that attend to various departments, viz.

1st. The bill committee.

2nd, The books and portfolio committee.

3rd. The cash committee.

4th. The treasury and receivers general department committee.

5th. The discount committee, the most important of all, whose business it is to inspect all bills presented for discount. The members of this committee serve in rotation on the board of discount, which is appointed by the censors, on the recommendation of the general board, the regents who compose such committee not voting on these occasions.

The shareholders meet yearly to hear a report of the proceedings of the governor and general board, and the declaration of the dividend for the current year.

Regulations of the Bank.

The principal provisos contained in the regulations are the following:

1st. To discount bills of exchange, and other negotiable paper having three months to run, stamped, and bearing *at least three* signatures of mercantile men, or others of undoubted credit. Papers bearing only two signatures are also discounted, if those signatures are guaranteed by the additional security of a transfer of bank shares, dividends in the public stocks, shares in canals free from mortgage, or government securities.

2d. To advance money on public securities, falling due at the end of a certain period.

3d. To make advances on deposits of bullion, and of foreign gold and silver coin, at the rate of 1 per cent. per annum. The term for deposits is 45 days, which may be renewed. The discount is deducted from the advances, and belongs to the bank, whether or not the deposits are withdrawn before the expiration of the term. The bank may dispose of deposits not withdrawn at the end of the stipulated period, unless it be renewed. No deposit under 10,000 francs is accepted.

4th. To receive casual deposits of all bills and promissory notes, payable to bearer, or at sight; gold and silver bullion; national and foreign gold and silver coin; and diamonds, at an *ad valorem* rate of one-eighth per cent. for the keeping, during a period of six months, or under. This discount, which is payable in advance, is retained by the bank, whether or not the deposits are withdrawn before the expiration of the term agreed on.

5th. To call in monies due to individuals or companies on negotiable paper.

6th. To keep a running account with individuals and companies paying money in, and cash drafts made payable at the bank, until the whole amount of deposit is drawn. The bank gives to the owners of money thus credited

recepissés for all sums payable, at sight. These *recepissés* are merely nominal; and they are only cashed upon the party who has received them giving an acknowledgment, which obviates all hazard, and attempts at robbery.

Any party wishing to get bills discounted, and keep an account with the bank, must address a petition to the governor, accompanied with certificates from himself, and three persons attesting his signature, and also, that he is punctual in his engagements. Uncertificated bankrupts are debarred from getting bills discounted. The bank cannot allow any money which it has received in the way of current account, to be attached. Parties who, in giving orders upon the bank, overdraw their account, may be prohibited by the general board from keeping any further account with it.

The *usufruct* of bank shares may be ceded, and at the same time, the absolute property in them transferred. Shares may be made untransferable (*immobilisées*) by a simple declaration of the owner, and, from that moment, they acquire the nature of real property, being subject to the same laws, and invested with the same prerogatives, according to the interpretation given to the law relating thereto, by the *Conseil d'Etat*, on the 28th of April, 1825. Such shares cannot be restored to their former conditions of personal property, except in cases provided for by the statutes respecting *Majorats*, enacted in 1808 and 1809. Shares converted into real estate may be applied to the purpose of endowing *Majorats*.

Bills of circulation are of the value of 500 francs.

Privileges of the Bank.

The bank possesses the exclusive privilege of issuing notes payable on demand, without being bound to any formality, its guarantee alone being deemed a sufficient security; it enjoys, also, the privilege of opening branch banks whenever it thinks proper.

The period for which the Bank of France was to enjoy the privileges secured to it, as was stated above, by the laws of the 11th Germinal, year 11, and 22d April, 1822, was extended, by a law enacted on the 26th June, 1840, until the 31st December, 1867.

The chief heads of this law are as follows:—

1st. "The privileges of the Bank of France are continued until the 1st December, 1867, with the proviso that they may be limited to, or modified on, the 31st December, 1869, if a law to that effect should be enacted, during either of the two sessions immediately preceding that period.

2d. "The capital of the Bank of France, represented by 67,900 shares, shall not be increased or diminished, but by virtue of a special law.

3d. "French public securities shall be receivable as guarantees in the case provided for by the 12th article of the decree of January 16th, 1808.

4th. "Bills shall be discounted by the bank every day, holidays excepted.

5th. "The minister of finance shall publish quarterly, a report of the average amount of the transactions of the bank during the previous quarter.

"He shall likewise publish half-yearly reports of its proceedings, with a statement of the amount of dividend declared.

6th. "Branch banks shall be established or suppressed, only by virtue of a royal ordinance issued in the same form as administrative regulations, at the request of the general board. *

7th. "Further modifications of the decree of May 18th, 1808, to be made

* The number of branch banks established in the department is 11; they are those of Montpellier, Saint Etienne, Besançon, St. Quentin, Rheims, Angoulême, Mulhouse, Grenoble, Chateauroux, Caen, and Vermont-Ferrand.

by virtue of ordinances in the same form, issued at the suggestion of the general board.

8th. "No departmental bank to be established, but by virtue of a law.

"Existing banks to obtain a continuance of their privileges, or modifications of their regulations, only by virtue of law.

9th. "From and after the publication of this law, the stamp duties chargeable on the bank, shall be in proportion to the amount of bills payable on demand, which it will have been instrumental in circulating during the previous year.

"From and after the 1st January, 1841, a similar rate of duty shall be levied on the departmental banks." *

In a report, delivered on the 28th of last January, by the governor to a general meeting of shareholders respecting the aggregate of the transactions of the Bank of France and branch banks, he observes that, during the year 1843, there had been a falling off of 134,000,000 of francs (£5,360,000) in the amount of bills of exchange and promissory notes circulated. The total amount discounted in Paris in 1842, had been 944,000,000 of francs (£37,760,000;) in 1843, it was only 772,000,000 of francs (£30,880,000;) and there was a like gradual decrease in 1844; but during the latter months of the same year, there was a re-action, so that at its close, the figure was 749,000,000 of francs (£29,960,900,) 24,000,000 of francs (£960,000) under that of 1843. The average time the negotiable paper had to run, had likewise become shorter, so that the profits of the shareholders had greatly diminished, as compared with the years 1842 and 1843. The dividend per share had fallen from 136 francs (£5 13s. 4d.,) to which it had risen in 1842, down to 107 francs (£4 9s. 2d.) In 1843, it rose to 122 francs (£5 1s. 8d.) Still the bank might be said to be in a prosperous condition. The realization of an interest of 107 francs on a share for which 1,000 was originally paid, indicates a very profitable investment.

There would have been a greater reduction of the dividends, if the establishment and extension of branch banks had not counterbalanced the decrease in the transactions of the Paris Bank. Their total amount of business in 1844 was 322,000,000 of francs (£12,880,000,) 78,000,000 of francs (£3,120,000) more than in 1843. The transactions of three of them alone, namely, the Montpellier, Saint Etienne, and Besançon Banks, amounted to 207,000,000 of francs (£8,280,000,) that is, to two-thirds of the whole. The net profit to the Metropolitan Bank from the branch banks, was 2,000,000 of francs (£80,000,) half as much as the former netted. Such a result plainly proves that the Bank of France did right in establishing branches, and that the service which it thus rendered to commerce redounded to its own benefit. An important and useful lesson which, it is to be hoped, will not be lost! The bank possesses ample means to multiply branches, having at its command an immense quantity of metallic currency. The amount on hand was greater in 1844 than at any former period. Its reserve fund in specie that year averaged 256,000,000 of francs (£10,240,000,) and its maximum was 279,000,000 of francs (£11,160,000.) So large a sum is evidently considerably more than adequate to the maintenance of a circulation of 249,000,000 of francs of paper money. Its available stock, exclusive of the specie entrusted to its care by the state and by individuals, affords a sufficient security for the establishment of a greater number of branches. The consideration of a national exigency should be paramount to all others, with an insti-

* There are 9 departmental banks; they are those of Bordeaux, Rouen, Nantes, Lyons, Marseilles, Havre, Lille, Toulouse, and Orleans; their circulation amounts to 74,000,000 of francs (£2,960,000.)

tution so highly favored as to receive a yearly deposit of from 100 to 160,000,000 of francs (four to six millions sterling) of the public money without paying any interest for its use.

It has been argued, that the decrease in the banking transactions just referred to, being partly attributable to an enhancement of the rate of discount, (now four per cent.,) which compels commercial men to apply elsewhere for accommodation, the Bank of France should follow the example of the Bank of Lyons, and reduce its rate of discount from four to three per cent. This suggestion, which appears to us to have been offered on good grounds, has been opposed by a censor of the bank; and, as the advocates of the *status quo* have a majority *intra muros*, the higher rate has been continued.

One of the disadvantages under which the Bank of France labors, is the very limited circulation of its notes, which in Paris is only 249,000,000 of francs, (£9,480,000.) That of the branch banks is incomparably less in proportion. Altogether it amounts only to 6,500,000 of francs, (£230,000.) This is most unaccountable in a country where the amount of specie is 3,000,000,000 of francs, (£120,000,000.) The departmental banks circulate 74,000,000 of francs, (£2,960,000,) that is, twelve times as much as the branch banks, although their discounts exceed those of the latter only in the proportion of 594 to 322, or of five to three. The circulation of the Bordeaux Bank alone, is three times as much as that of all the branch banks put together.

A bank which, having 256,000,000 of francs, (£10,240,000,) in specie in its coffers, circulates notes to the amount of only 249,000,000 of francs, (£8,460,000,) deserves not to be considered as the Bank of France, but merely as the local bank of Paris; for it scarcely adds any thing to that circulating capital of the country used as an instrument of exchange. As banks are chiefly useful in proportion as they dispense with the necessity of keeping a considerable part of the wealth of a country in specie, a form under which capital is inefficient in increasing the production of labor, in this respect, France is the country which may, with the most confident expectation, look forward to the adoption of a banking system based on right principles; for she possesses the greatest quantity of specie in proportion to her commercial transactions. She has, indeed, an extraordinary superabundance of it. To say that it amounts to 1,000,000,000 of francs, (£25,000,000,) is to speak within compass. If the Bank of France were to issue 100 franc notes, and, in the principal localities at least, these notes were accepted in payment of taxes, in the same manner as in the United Kingdom, where notes are made legal tender, an important step would be taken in the right direction, by which neither credit would suffer nor the interests of the treasury be compromised.

Besides the commercial interests, there are others which, in France, require improved banking accommodation. Tillage is her chief dependence. The agricultural interest should therefore stand highest; and its advancement ought to be one of the chief cares of her rulers.

Jacques Laffitte, the great financier, who was no less distinguished for his affability, benevolence and generosity, than for the immense wealth which he possessed, and whose death is a just cause of regret, never ceased to keep in view the agricultural interest, and endeavored to make that useful class of the community partakers of the benefits of the credit system, to which he had given a mighty impulse. To him was the French public indebted for the establishment, at a critical period, of a bank* with which, among other historical recollections, his name is honorably associated.

* Caisse de Commune et de l'industrie agricole et manufacturiere, fondee en 1827.

There were, even so late as 1834, only three departmental banks, independent of the Bank of France, privileged to issue notes payable to the bearer. The oldest and least considerable was that of Nantes, founded in 1818, the capital stock of which is only 1,500,000 francs, (£60,000.) That of Rouen was established in 1819, though its capital stock is no more than 3,000,000 francs, (£120,000,) it is eminently serviceable to the manufacturing population in the vicinity of Rouen. The original shares of 1,000 francs, are now worth about 2,000 francs. A bank was also established at Bordeaux in 1820, notwithstanding great opposition from some rival bankers; the capital stock of the establishment is from five to six millions of francs, (£200,000 to £240,000,) and its issue eleven millions, (£440,000.)

Those were the only financial establishments in France, existing independently of the metropolitan bank, until the establishment of Lafitte's. To the very small number of such institutions in that country may be attributed the backward state of agriculture, the depressed condition of the majority, and the consequent prevalence of a system of usury of her landed proprietors, which eats up their substance. It is a melancholy fact, that in a country so highly favored by nature, there is a scarcity of bread, meat, clothing, and even horses to remount the cavalry! The agricultural interest wants capital, and it cannot borrow without paying an enormous rate of interest, which drains its resources. We could mention villages in Normandy, where money is lent at an interest of ten or twelve per cent. per annum, or one per cent. per month! yet agriculture alone supports the country, and can alone ensure its welfare. How has Scotland, which deserves to be mentioned first on account of her great political economists and excellent banking establishments, managed to convert the channels of her torrents into fruitful pastures? How does the population of North America daily extend its conquest over steppes and prairies? How has Holland contrived to change its morasses into an inhabitable, salubrious, and fertile soil? By industry, is the answer. But industry cannot subsist without help. It must be put in the way of becoming productive, and have a capital at its command; which advantages are only attainable through banks and free trade. These are the auspicious harbingers of abundance, strength and greatness.

Northern Europe has likewise set a good example. Excellent institutions founded in Eastern Prussia, have improved the condition of the rural provinces of that country beyond the most sanguine expectation; and in the kingdom of Poland, before it became a Russian province, government had established an agricultural bank, which was attended with most beneficial effects.

Printed documents prove that the Bank of France has, since its origin, paid, *communibus annis*, a dividend of eight and a fraction per cent. The stockholders have increased their capital fivefold, and received, without intermission, a half yearly income of four per cent.; and if any of them wished to sell out at the present moment, they would get 3,400 francs for what originally stood them in 1,000; that is to say, they would realise six times their original stock. With such a fact staring us in the face, have not the French people a right to demand that the bank should, in return for the very valuable privileges conferred upon it in a spirit of extreme liberality, give the departments a share of the advantages which hitherto Paris alone has enjoyed? The public claims the fulfilment of the 10th article of the law of 1808, which requires that the metropolitan bank should open branches in the departments, and the complete execution of the legislature's plan, whose intention was to connect the principal towns of France, in such a manner, that money, the precious instrument of exchange, should circulate

from one place to another, and such parts as were deficient in specie receive it from those where it was superabundant.

Our observations are particularly aimed against the system of centralization, which in France has been carried to an excess, as its obvious tendency is to paralyse trade. In consequence of this system, provincial dealers experience the utmost difficulty in giving in exchange for merchandise the only circulating medium that is at present not liable to depreciation; that is to say, bills on Paris. For instance, if goods are sent from Brest, Toulon, or Quimper, as it is expected they will be paid for in local paper, sellers enhance their prices. If, on the other hand, buyers agree to give Paris paper, sellers are obliged to reduce their profits and sell dearer; for in those towns Paris paper bears a premium of one per cent. Why? Because they are constantly receiving specie, and have no credits in Paris. Therefore it is quite fair to require that the Bank of France, as it is called, should become in reality what its name implies, and not continue merely a Parisian bank.

In its present state of organization it has reached its maximum. It is indeed in a state of plethora. Its capital stock is only 67,000,000 of francs, (£2,640,000;) but it need not be increased, for the paper investments are limited. Its issue is 212,000,000 of francs, (£8,480,000,) and the directors are aware that, under present circumstances, to issue more would be unavailing, and that there has been a run whenever the issue has exceeded an amount varying from 200,000,000 to 220,000,000 of francs, (£8,000,000 to £8,800,000.)

The Bank of France acts after the fashion of a purse proud capitalist. It always, or almost always, receives, but never pays away negotiable bills to be discounted. When it holds any, it keeps them till they become due. If it would part with them, and allow three and even two per cent. discount, (the usual rate at Nantes, Lyons and Marseilles,) a premium would accrue upon them. The bank would not thereby incur any greater risk of a run; for any negotiable bill having been accepted by the bank would, from that circumstance alone, be considered safe, and become current without any further signature. By acting in this manner, the bank would do no more than what is done by the royal treasury. By following such an example, it would not derogate from its dignity. Let it try the course we suggest at Paris and in the departments, and we shall see what an impulse will be given to commercial dealings.

We might suggest other measures by which the bank would materially extend its business, without violating any pledge or incurring new responsibilities. Why not, as we said before, make bank notes a legal tender for the payment of taxes? That which circumstances did not allow in 1806, may be feasible in 1845. Might not bank notes under 500 francs, say of 250, 200 and 100 francs, be brought into circulation by way of supplying the deficiency of gold? Why restrict to the capitalists and bankers of the capital the important benefits to be derived from such an institution? Why should not the bank pay annuities and dividends on public stock in the provinces, and the current expenditure for the navy, harbors and arsenals? Thus would the transporting of specie, which is so very inconvenient to the agricultural and manufacturing classes, the high rate of insurance on metals consigned by public conveyance, and the expense of negotiation, be economised.

The Bank of France has been in existence forty-five years. During that long period, what use has it made of its valuable privileges? What has been the practical result of its policy? What inference may be drawn from its past to its future course? These are subjects for consideration which we may, perhaps, discuss in a future article.

PRINCIPLES OF EXCHANGE.

By J. R. McCULLOCH, Esq., author of the "Dictionary of Commerce and Commercial Navigation."

1. *Par of Exchange.*—The *par* of the currency of any two countries means, among merchants, the equivalency of a certain amount of the currency of the one in the currency of the other, *supposing the currencies of both to be of the precise weight and purity fixed by their respective mints.* Thus, according to the mint regulations of Great Britain and France, 1*l.* sterling is equal to 25 fr. 20 cent., which is said to be the *par* between London and Paris. And the exchange between the two countries is said to be at *par* when bills are negotiated on this footing; that is, for example, when a bill for 100*l.* drawn in London is worth 2,520 fr. in Paris, and conversely. When 1*l.* in London buys a bill on Paris for more than 25 fr. 20 cent., the exchange is said to be in favor of London and against Paris; and when, on the other hand, 1*l.* in London will not buy a bill on Paris for 25 fr. 20 cent., the exchange is against London and in favor of Paris.—(See Table of the *par* of exchange at the end of this article.)

II. *Circumstances which determine the course of Exchange.*—The exchange is affected, or made to diverge from *par*, by two classes of circumstances: *first*, by any discrepancy between the actual weight or fineness of the coins, or of the bullion for which the substitutes used in their place will exchange, and their weight or fineness as fixed by the mint regulations; and *secondly*, by any sudden increase or diminution of the bills drawn in one country upon another.

1. It is but seldom that the coins of any country correspond exactly with their mint standard; and when they diverge from it, an allowance corresponding to the difference between the actual value of the coins, and their mint value, must be made in determining the *real par*. Thus, if, while the coins of Great Britain corresponded with the mint standard in weight and purity, those of France were either 10 per cent. worse or debased below the standard of her mint, the exchange, it is obvious, would be at *real par* when it was *nominally* 10 per cent. against Paris, or when a bill payable in London for 100*l.* was worth in Paris 2,772 fr. instead of 2,520 fr. In estimating the real course of exchange between any two or more places, it is always necessary to attend carefully to this circumstance; that is, to examine whether their currencies be all of the standard weight and purity, and if not, how much they differ from it. When the coins circulating in a country are either so worn or rubbed as to have sunk considerably below their mint standard, or when paper money is depreciated from excess or want of credit, the exchange is at *real par* only when it is against such country to the extent to which its coins are worn or its paper depreciated. When this circumstance is taken into account, it will be found that the exchange during the latter years of the war, though apparently very much against this country, was really in our favor. The depression was nominal only; being occasioned by the great depreciation of the paper currency in which bills were paid.

2. Variations in the actual course of exchange, or in the price of bills arising from circumstances affecting the currency of either of two countries trading together, are *nominal* only; such as are *real*, grow out of circumstances affecting their trade.

When two countries trade together, and each buys of the other commodities of precisely the same value, their debts and credits will be equal, and, of course, the *real* exchange will be at *par*. The *bills* drawn by the one will

be exactly equivalent to those drawn by the other, and their respective claims will be adjusted without requiring the transfer of bullion or any other valuable produce. But it very rarely happens that the debts reciprocally due by any two countries are equal. There is almost always a balance owing on the one side or the other; and this balance must affect the exchange. If the debts due by London to Paris exceeded those due by Paris to London, the competition in the London market for bills on Paris would, because of the comparatively great amount of payments our merchants had to make in Paris, be greater than the competition in Paris for bills on London; and, consequently, the real exchange would be in favor of Paris and against London.

The cost of conveying bullion from one country to another forms the limit within which the rise and fall of the *real* exchange between them must be confined. If one per cent. sufficed to cover the expense and risk attending the transmission of money from London to Paris, it would be indifferent to a London merchant whether he paid one per cent. premium for a bill of exchange on Paris, or remitted money direct to that city. If the premium were less than one per cent., it would clearly be his interest to make his payments by bills in preference to remittances: and that it could not exceed one per cent. is obvious; for every one would prefer remitting money, to buying a bill at a greater premium than sufficed to cover the expense of a money remittance. If, owing to the breaking out of hostilities between the two countries, or to any other cause, the cost of remitting money from London to Paris were increased, the fluctuations of the *real* exchange between them *might* also be increased. For the limits within which such fluctuations *may* range, correspond in all cases with the cost of making remittances in cash.

Fluctuations in the *nominal* exchange, that is, in the value of the currencies of countries trading together, have no effect on foreign trade. When the currency is depreciated, the premium which the exporter of commodities derives from the sale of the bill drawn on his correspondent abroad, is only equivalent to the increase in the price of the goods exported, occasioned by this depreciation. But when the premium on a foreign bill is a consequence, not of a fall in the value of money, but of a deficiency in the supply of bills, there is no rise of prices; and in these circumstances the unfavorable exchange operates as a stimulus to exportation. As soon as the *real* exchange diverges from *par*, the mere inspection of a price current is no longer sufficient to regulate the operations of the merchant. If it be unfavorable, the premium which the exporter will receive on the sale of his bill must be included in the estimate of the profit he is likely to derive from the transaction. The greater that premium, the less will be the difference of prices necessary to induce him to export. And hence an unfavorable *real* exchange has an effect exactly the same with what would be produced by granting a bounty on exportation equal to the premium on foreign bills.

But for the same reason that an unfavorable *real* exchange increases exportation, it proportionally diminishes importation. When the exchange is really unfavorable, the price of commodities imported from abroad must be so much lower than their price at home, as not merely to afford, exclusive of expenses, the ordinary profit of stock on their sale, but also to compensate for the premium which the importer must pay for a foreign bill, if he remit one to his correspondent, or for the discount, added to the invoice price, if his correspondent draw upon him. A less quantity of foreign goods will, therefore, suit our market when the *real* exchange is unfavorable; and fewer payments having to be made abroad, the competition for foreign bills will be diminished, and the *real* exchange rendered proportionally favorable. In the same way, it is easy to see that a favorable *real* exchange must operate as a *duty* on exportation, and as a *bounty* on importation.

It is thus that fluctuations in the *real* exchange have a necessary tendency to correct themselves. They can never, for any considerable period, *exceed* the expense of transmitting bullion from the debtor to the creditor country. But the exchange cannot continue either permanently favorable or unfavorable to this extent. When favorable, it corrects itself by restricting exportation and facilitating importation; and when unfavorable, it produces the same effect by giving an unusual stimulus to exportation, and by throwing obstacles in the way of importation. The true *PAR* forms the centre of these oscillations; and although the thousand circumstances which are daily and hourly affecting the state of debt and credit, prevent the ordinary course of exchange from being almost ever precisely at *par*, its fluctuations, whether on the one side or the other, are confined within certain limits, and have a constant tendency to disappear.

This natural tendency which the exchange has to correct itself, is powerfully assisted by the operations of the bill-merchants.

England, for example, might owe a large excess of debt to Amsterdam, yet, as the aggregate amount of the debts *due* by a commercial country is generally balanced by the amount of those which it has to receive, the deficiency of bills on Amsterdam in London would most probably be compensated by a proportional redundancy of those on some other place. Now, it is the business of the merchants who deal in bills in the same way as of those who deal in bullion or any other commodity, to buy them where they are cheapest, and to sell them where they are dearest. They would, therefore, buy up the bills drawn by other countries on Amsterdam, and dispose of them in London; and by so doing, would prevent any great fall in the price of bills on Amsterdam in those countries in which the supply exceeded the demand, and any great rise in Great Britain and those countries in which the supply happened to be deficient. In the trade between Italy and this country, the bills drawn on Great Britain amount almost invariably to a greater sum than those drawn on Italy. The bill-merchants, however, by buying up the excess of the Italian bills on London, and selling them in Holland, and other countries indebted to England, prevent the *real* exchange from ever becoming very much depressed.

It is of great importance to bankers and others taking bills and notes, that they should have some knowledge of the parties from whom they receive them; otherwise, if the instrument turn out to have been lost or fraudulently obtained, they may, without equivalent, be deprived of their security, on an action by the owner to recover possession. Lord Tenderden decided, "if a person take a bill, note, or any other kind of security, under circumstances which ought to excite suspicion in the mind of any reasonable man acquainted with the ordinary affairs of life, and which ought to put him on his guard to make the necessary inquiries, and he do not, then he loses the right of maintaining possession of the instrument against the rightful owner."

III. *Negotiation of Bills of Exchange*.—Bills of exchange are either made payable at *sight*, at a certain specified time *after sight* or *after date*, or at *usance*, which is the usual term allowed by the custom or law of the place where the bill is payable. Generally, however, a few days are allowed for payment beyond the term when the bill becomes due, which are denominated *days of grace*, and which vary in different countries. In Great Britain and Ireland, *three* days' grace are allowed for all bills except those payable at sight, which must be paid as soon as presented. The following is a statement of the usance and days of grace for bills drawn upon some of the principal commercial cities:—

[*m d. m s. d d. d s. d a.* respectively denote *months after date*, *months after sight*, *days after date*, *days after sight*, *days after acceptance*.]

London on	Usance.	Days of Grace.	London on	Usance.	Days of Grace.
Amsterdam,	1 m d.	6	Gibraltar,	2 m s.	14
Rotterdam,	1 m d.	6	Leghorn,	3 m d.	0
Antwerp,	1 m d.	6	Leipsic,	14 d a.	0
Hamburgh,	1 m d.	12	Genoa,	3 m d.	30
Altona,	1 m d.	12	Venice,	3 m d.	6
Dantzic,	14 d a.	10	Vienna,	14 d a.	3
Paris,	30 d d.	10	Malta,	30 d d.	13
Bordeaux,	30 d d.	10	Naples,	3 m d.	3
Bremen,	1 m d.	8	Palermo,	3 m d.	0
Barcelona,	60 d d.	14	Lisbon,	30 d s.	6
Geneva,	30 d d.	5	Oporto,	30 d s.	6
Madrid,	2 m s.	14	Rio Janeiro,	30 d d.	6
Cadiz,	60 d d.	6	Dublin,	21 d s.	3
Bilboa,	2 m d.	14	Cork,	21 d s.	3

In the dating of bills, the new style is now used in every country in Europe, with the exception of Russia.

In London, bills of exchange are bought and sold by brokers, who go round to the principal merchants and discover whether they are buyers or sellers of bills. A few of the brokers of most influence, after ascertaining the state of the relative supply and demand for bills, suggest a price at which the greater part of the transactions of the day are settled, with such deviations as particular bills, from their being in very high or low credit, may be subject to. The price fixed by the brokers is that which is published in *Wettenhall's List*; but the first houses generally negotiate their bills on $\frac{1}{2}$, 1, $1\frac{1}{2}$, and 2 *per cent.* better terms than those quoted. In London and other great commercial cities, a class of middlemen speculate largely on the rise and fall of the exchange; buying bills when they expect a rise, and selling them when a fall is anticipated.

No one acquainted with the fundamental rules of arithmetic can have any difficulty whatever in estimating how much a sum of money in one country is worth in another, according to the state of the exchange at the time. The common arithmetical books abound in examples of such computations. But in conducting the business of exchange, a direct remittance is not always preferred. When a merchant in London, for example, means to discharge a debt due by him in Paris, it is his business to ascertain not only the state of the direct exchange between London and Paris, and, consequently, the sum which he must pay in London for a bill on Paris equivalent to his debt, but also the state of the exchange between London and Hamburgh, Hamburgh and Paris, &c.; for it frequently happens that it may be more advantageous for him to buy a bill on Hamburgh, Amsterdam, or Lisbon, and to direct his agent to invest the proceeds in a bill on Paris, rather than remit directly to the latter. This is termed the **ARBITRATION** of exchange. An example or two will suffice to show the principle on which it is conducted.

Thus, if the exchange between London and Amsterdam be 35s. Flemish (old coinage) per pound sterling, and between Paris and Amsterdam 1s. 6d. Flemish per franc, then, in order to ascertain whether a direct or indirect remittance to Paris would be most advantageous, we must calculate what would be the value of the franc in English money if the remittance were made through Holland; for if it be less than that resulting from the direct exchange, it will obviously be the preferable mode of remitting. This is determined by stating, as 35s. Flem. (the Amsterdam currency in a pound

sterling) : 1s. 6d. Flem. (Amsterdam currency in a franc) : : 1*l.* 10d. the proportional, or *arbitrated* value of the franc. Hence, if the English money or bill of exchange, to pay a debt in Paris, were remitted by Amsterdam, it would require 10d. to discharge a debt of a franc, or 1*l.* to discharge a debt of 24 francs : and, therefore, if the exchange between London and Paris were at 24, it would be indifferent to the English merchant whether he remitted directly to Paris, or indirectly *via* Amsterdam ; but if the exchange between London and Paris were *above* 24, then a direct remittance would be preferable ; while, if, on the other hand, the direct exchange were less than 24, the indirect remittance ought as plainly to be preferred.

"Suppose," to borrow an example from Dr. Kelly (*Universal Cambist*, vol. ii. p. 137,) "the exchange of London and Lisbon to be at 68d. per milree, and that of Lisbon on Madrid 500 rees per dollar, the arbitrated price between London and Madrid is 34d. sterling per dollar ; for as 1,000 rees : 68d. : 500 rees : 34d. But if the direct exchange of London on Madrid be 35d. sterling per dollar, then London, by remitting directly to Madrid, must pay 35d. for every dollar ; whereas, by remitting through Lisbon, he will pay only 34d. ; it is, therefore, the interest of London to remit indirectly to Madrid through Lisbon. On the other hand, if London draws directly on Madrid, he will receive 35d. sterling per dollar ; whereas, by drawing indirectly through Lisbon, he would receive only 34d. ; it is, therefore, the interest of London to draw directly on Madrid. Hence the following rules :

"1. Where the certain price is given, draw through the place which produces the lowest arbitrated price, and remit through that which produces the highest.

"2. Where the uncertain price is given, draw through that place which produces the highest arbitrated price, and remit through that which produces the lowest."

In compound arbitration, or when more than 3 places are concerned, then in order to find how much a remittance passing through them all will amount to in the last place, or, which is the same thing, to find the arbitrated price between the first and the last, we have only to repeat the different statements in the same manner as in the foregoing example.

The following account of the manner in which a very large transaction was actually conducted by indirect remittances, will sufficiently illustrate the principles we have been endeavoring to explain.

In 1804, Spain was bound to pay to France a large subsidy ; and, in order to do this, three distinct methods presented themselves :—

1. To send dollars to Paris by land.
2. To remit bills of exchange directly to Paris.
3. To authorise Paris to draw directly on Spain.

The first of these methods was tried, but it was found too slow and expensive ; and the second and third plans were considered likely to turn the exchange against Spain. The following method by the indirect, or circular exchange, was therefore, adopted.

A merchant, or *banquier*, at Paris, was appointed to manage the operation, which he thus conducted :—He chose London, Amsterdam, Hamburgh, Cadiz, Madrid, and Paris, as the principal hinges on which the operation was to turn ; and he engaged correspondents in each of these cities to support the circulation. Madrid and Cadiz were the places in Spain from whence remittances were to be made ; and dollars were, of course, to be sent to where they bore the highest price, for which bills were to be procured on Paris, or on any other places that might be deemed more advantageous.

The principle being thus established, it only remained to regulate the extent of the operation, so as not to issue too much paper on Spain, and to give the circulation as much support as possible from real business. With this view, London was chosen as a place to which the operation might be chiefly directed, as the price of dollars was then high in England; a circumstance which rendered the proportional exchange advantageous to Spain.

The business was commenced at Paris, where the negotiation of drafts issued on Hamburgh and Amsterdam served to answer the immediate demands of the state; and orders were transmitted to these places to draw for the reimbursements on London, Madrid, or Cadiz, according as the course of exchange was most favorable. The proceedings were all conducted with judgment, and attended with complete success. At the commencement of the operation, the course of exchange at Cadiz on London was 36d.; but, by the plan adopted, Spain got 39½d., or above 8 per cent. by the remittance of dollars to London, and considerable advantages were also gained by the circulation of bills through the several places on the Continent.—(*Kelly's Cambist*, vol. ii. p. 168.; *Dubost's Elements of Commerce*, 2d ed. p. 218.)

LAW OF BILLS OF EXCHANGE.

The chief legal privileges appertaining to bills are, first, that though only a simple contract, yet they are always presumed to have been originally given for a good and valuable consideration; and, secondly they are assignable to a third person not named in the bill or party to the contract, so as to vest in the assignee a right of action, in his own name; which right of action, no release by the drawer to the acceptor, nor set-off or cross demand due from the former to the latter, can affect.

All persons, whether merchants or not, being legally qualified to contract, may be parties to a bill. But no action can be supported against a person incapable of binding himself, on a bill drawn, endorsed, or accepted by such incapacitated person; at the same time the bill is good against all other competent parties thereto.

Bills may be drawn, accepted, or endorsed by the party's agent or attorney verbally authorised for the purpose. When a person has such authority, he must either write the name of his principal, or state in writing that he draws, &c. as agent: thus, "per procuration, for A. B."

Where one of several partners accepts a bill drawn on the firm, for himself and partners, or in his own name only, such acceptance binds the partnership if it concern the trade. But the acceptance of one of several partners on behalf of himself and partners, will not bind the others, if it concern the acceptor only in a separate and distinct interest; and the holder of the bill, at the time he becomes so, was aware of that circumstance. If, however, he be a *bona fide* holder for a sufficient consideration, and had no such knowledge at the time he first became possessed of the bill, no subsequently acquired knowledge of the misconduct of the partner in giving such security will prevent him from recovering on such bills against all the partners.

Although no precise form of words is required to constitute a bill of exchange or promissory note, yet it is necessary that it should be *payable at all events*, and not depend on any contingency; and that it be made for the payment of money only, and not for payment of money and performance of some other act, as the delivery of a horse, or the like.

If, however, the event on which the payment is to depend must inevitably happen, it is of no importance how long the payment may be in sus-

pense; so a bill is negotiable and valid if drawn payable 6 weeks after the death of the drawer's father, or payable to an infant when he shall become of age.

Any material alteration of a bill after it has been drawn, accepted, or endorsed, such as the date, sum, or time of payment, will invalidate it: but the mere correction of a mistake, as by inserting the words "or order," will have no such effect.

The negotiability of a bill depends on the insertion of sufficient operative words of transfer; such as by making it payable to A. or order, or to A. or bearer, or to bearer generally.

Although a bill is presumed to have been originally drawn upon a good and valuable consideration, yet in certain cases a want of sufficient consideration may be insisted on in defence to an action on a bill. Certain considerations have been made illegal by statute; as for signing a bankrupt's certificate, for money won at gaming, or for money lent on a usurious contract. But with respect to gaming, it is held, that a bill founded on a gambling transaction is good in the hands of a *bona fide* holder; and by 58 Geo. 3. c. 93. a bill or note in the hands of an innocent holder, although originally founded on a usurious contract, is not invalid.

In general, if a bill is fair and legal in its origin, a subsequent illegal contract or consideration on the endorsement thereof will not invalidate it in the hands of a *bona fide* holder.

A bill cannot be given in evidence in a court of justice, unless it be duly stamped, not only with a stamp of the proper value, but also of the proper denomination.

Acceptance of a Bill.—An acceptance is an engagement to pay a bill according to the tenor of the acceptance, which may be either *absolute* or *qualified*. An *absolute* acceptance is an engagement to pay a bill according to its request, which is done by the drawee writing "Accepted" on the bill, and subscribing his name, or writing "Accepted" only; or merely subscribing his name at the bottom or across the bill. A *qualified* acceptance is when a bill is accepted conditionally; as when goods conveyed to the drawee are sold, or when a navy bill is paid, or other future event which does not bind the acceptor till the contingency has happened.

An acceptance may be also partial; as to pay 100*l.*, instead of 150*l.*, or to pay at a different time or place from that required by the bill. But in all cases of a conditional or partial acceptance, the holder should, if he mean to resort to the other parties to the bill in default of payment, give notice to them of such partial or conditional acceptance.

In all cases of presenting a bill for acceptance, it is necessary to present the bill at the house where the drawee lives, or where it is made payable. By 1 and 2 Geo. 4. c. 78., all bills accepted payable at a banker's or other place are to be deemed a general acceptance; but if they are accepted payable at a banker's "only, and not otherwise or elsewhere," it is a qualified acceptance, and the acceptor is not liable to pay the bill, except in default of payment when such payment shall have been first demanded at the banker's. The drawee is entitled to keep the bill 24 hours when presented for acceptance. The acceptance of an inland bill must be *in writing on the face of the bill*, or, if there be more parts than one, on one of such parts; nothing short of this constitutes a valid acceptance.

If a bill is made payable a certain time *after sight*, it must, in order to fix the time when it is to be paid, be presented for acceptance, and the date of the acceptance should appear thus: "Accepted, July 1st, 1831."

Due diligence is the only thing to be considered in presenting any description of bill for acceptance; and such diligence is a question depending

on the situation of the parties, the distance at which they live, and the facility of communication between them.

When the drawee refuses to accept, any third party, after protesting, may accept for the honor of the bill generally, or for the drawee, or for the endorser; in which case the acceptance is called an acceptance *supra protest*.

The drawers and endorsers are discharged from liability, unless due notice of non-acceptance when presented for acceptance, or non-payment at the time the bill becomes due, is given. These notices must be given with all due diligence to all the parties to whom the holder means to resort for payment. Generally, in both foreign and inland bills, notice is given next day to the immediate endorser, and such endorser, is allowed a day, when he should give fresh notice to the parties who are liable to him.

Notice may be sent by the post, however near the residence of the parties may be to each other; and though the letter containing such notice should miscarry, yet it will be sufficient; but the letter containing the notice should be delivered at the general post-office, or at a receiving house appointed by that office, not to the bellman in the street. In all cases of notice, notice to one of several parties is held to be notice to all; and if one of several drawers be also the acceptor, it is not necessary to give notice to the other drawers.

Upon the non-acceptance or non-payment of a bill, the holder, or a public notary for him, should protest it; that is, draw up a notice of the refusal to accept or pay the bill, and the declaration of the holder against sustaining loss thereby. Inland bills need not be protested; in practice they are usually only noted for non-acceptance; but this, without the protest, is wholly futile, and adds nothing whatever to the evidence of the holder, while it entails a useless expense on those liable to pay.

Endorsement of Bills.—An endorsement is the act by which the holder of a negotiable instrument transfers his right to another person, termed the endorsee. It is usually made on the back of a bill, and must be in writing; but the law has not prescribed any set form of words as necessary to the ceremony, and in general the mere signature of the endorser is sufficient.

All bills payable to order or to bearer for 1l. and upwards, are negotiable by endorsement; and the transfer of them for a good consideration, before they are payable, gives a right of action against all the precedent parties on the bill, if the bills in themselves are valid; but a transfer after they are due will only place the holder in the situation of the person from whom he takes them.

Bills may be transferred either by delivery only, or by endorsement and delivery: bills payable to order are transferred by the latter mode only; but bills payable to bearer may be transferred by either mode. On a transfer by delivery, the person making it ceases to be a party to the bill; but on a transfer by endorsement, he is to all intents and purposes chargeable as a new drawer.

A bill originally transferable may be restrained by restrictive words; for the payee or endorsee, having the absolute property in the bill, may, by express words, restrict its currency, by endorsing it "Payable to A. B. only," or "to A. B. for his use," or any other words clearly demonstrating his intention to make a restrictive and limited endorsement. Such special endorsement precludes the person in whose favor it is made from making a transfer, so as to give a right of action against the special endorser, or any of the precedent parties to the bill.

In taking bills to account or discount, it is important well to examine all special endorsements. Lord Tenderden decided that a person who discounts a bill endorsed "Pay to A. B. or order for my use," discounts it subject to the

risk of having to pay the money to the special endorser, who so limited the application *for my use*; thus a party may be liable to pay the amount of the bill twice over, unless he previously ascertains that the payment has been made conformably to the import of the endorsement.

After the payment of part, a bill may be endorsed over for the residue.

If a bill fall due on Sunday, Good Friday, Christmas day, or any public fast or thanksgiving day, the presentment must be on the day preceding these holidays. By 7 & 8 Geo. 4, c. 15, if a bill or note be payable on the day preceding these holidays, notice of the dishonor may be given the day following the holiday; and if Christmas day fall on Monday, notice may be given on Tuesday.

On bills payable on demand, or when no time of payment is expressed, no days of grace are allowed; but they are payable instantly on presentment. On bank post bills no days of grace are claimed; but on a bill payable at sight the usual days of grace are allowed from the sight or demand.

Value of Foreign Coins.—Sir Isaac Newton, when master of the London mint, caused the principal coins in Europe to be assayed, and their values ascertained. His tables were published in 1719, by order of the privy council, and were for a long period taken as a guide by the exchange and bullion merchants. But since their publication, so many changes have taken place, that further assays became necessary: and of those which have been made, the tables of Dr. Kelly, published in his "Universal Cambist," are perhaps the most accurate and valuable. They have been transferred into the last edition of the "Encyclopædia Britannica," and M'Culloch's "Dictionary of Commerce," to which the reader may refer, if he desires to know the value of any particular foreign coin.

The following table of the par of exchange between London and the places mentioned, may be referred to. It is adopted from "Tate's Cambist." This table, we believe, comprises all the places with which exchange dealings are commonly transacted. The quotations are of two kinds: one where a variable amount of foreign money is given for a certain sum in English, namely £1 sterling: and the other, the reverse of this, where England gives an uncertain number of pence for a fixed coin of foreign money.

LONDON receives from:—

Amsterdam,	12 3	florens and stivers, . . .	for £1 sterling.
Hamburgh,	13 12	mks. and schillings, . . .	"
Paris,	25 50	francs and centimes, . . .	"
Frankfort,	150½	batzen,	"
Vienna,	10 2	florens and Kreuz, . . .	"
Genoa,	25 35	lire and centissimi, . . .	"
Berlin,	6 25	dollars and silver gros. . .	"
Milan,	30 30	lire A. and cent.	"
Leghorn,	30 50	lire Tosc. and cent. . . .	"

LONDON gives to:—

Lisbon,	53½	pence sterling,	for 1 milreis.
Madrid,	36½	"	1 dollar of plate.
Gibraltar,	48½	"	1 hard dollar.
Naples,	39½	"	1 ducat.
Palermo,	119½	"	1 onza.
Venice,	47	"	6 lire Austriache
St. Petersburg,	38½	"	1 silver rouble.
Rio Janeiro	30	"	1 milreas,
New York,	47½	"	1 U. S. dollar.
Calcutta,	23	"	1 Comp. rupee.

The rates of Rotterdam and Antwerp are similar to the Amsterdam rates. That of Altona is similar to Hamburg, but by custom is usually quoted $\frac{1}{2}$ Sch. Bco. more, or as it called worse. The Trieste rate is similar to the Vienna rate; and the Cadiz, Bilboa, Barcelona and Seville rates to that of Madrid.

The great fluctuations in the cost of exporting specie, and consequently in the rate of premium on bills, may be understood from the following particulars: Gold can be sent to Paris at the present time for about 30s. per cent. During a time of war this expense is considerably increased by the risk of having the bullion seized by the enemy. The advance in the rate of insurance to provide against this contingency, together with the charge for freight, taken together, then constitute the cost of transmission. It appears from the report of the bullion committee, that the expense of conveying gold from London to Hamburg, which prior to the war amounted to only two and a half per cent., had, in the latter part of 1809, increased to about seven per cent., showing that the limits within which fluctuations in the real exchange were confined in 1809 were about three times as great as those within which they were confined in 1793. And this increased cost of transmission during time of war is much greater between places far apart—the risk of loss being enhanced according to the time the gold will be *in transitu*—so that the exchange, for instance, on New York may be much higher than on Paris, because bills will bear higher premium without any other cause operating to produce this effect.—*Comp. to Eng. Almanac*, 1846.

BANK STATISTICS.

BOSTON BANKS.

According to the last Annual Report.

	Capital.	Circulation.	Deposits.	Specie.	Loans.	Profits.
Atlantic.....	500,000	\$238,227	366,801	62,013	943,593	22,254
Atlas.....	500,000	166,819	247,978	32,767	932,947	16,266
Boston.....	600,000	283,895	701,226	219,683	1,163,920	54,003
City.....	1,000,000	208,121	722,604	51,595	1,820,437	46,634
Columbian.....	500,000	134,416	468,794	161,520	844,855	16,886
Eagle.....	500,000	211,007	428,372	49,109	1,035,143	22,838
Freeman's.....	200,000	205,595	84,799	42,709	400,572	21,964
Globe.....	1,000,000	247,881	588,786	158,322	1,862,053	53,095
Granite.....	500,000	267,638	230,393	67,414	928,260	21,937
Hamilton.....	500,000	222,540	291,772	50,006	901,131	29,916
Market.....	560,000	227,696	347,748	34,627	1,074,468	111,480
Massachusetts....	800,000	117,416	307,710	67,917	1,095,983	35,932
Mechanics.....	120,000	149,916	31,024	12,856	239,933	9,653
Merchants.....	3,000,000	818,440	2,346,586	1,000,892	5,503,889	223,716
New England....	1,000,000	163,314	163,838	23,390	1,274,755	25,808
North.....	750,000	279,070	292,577	39,086	1,248,128	24,344
Shawmut.....	500,000	175,812	175,736	31,002	872,405	21,836
Shoe.....	500,000	246,916	171,271	35,856	988,584	65,400
State.....	1,800,000	405,076	754,268	57,100	2,814,132	73,807
Suffolk.....	1,000,000	318,027	161,417	389,990	1,753,555	288,667
Traders'... ..	400,000	214,431	171,808	36,431	738,583	20,391
Tremont.....	500,000	219,809	229,192	63,394	871,300	27,480
Union.....	800,000	197,851	229,227	56,440	1,026,688	30,242
Washington.....	500,000	201,335	208,226	28,506	818,165	16,577
Total,		\$5,921,248	9,722,153	2,773,625	30,945,479	1,201,126

Capital, dividend, and market value of stock, and aggregate resources or liabilities, according to the last annual report.

	Capital.	Dividend, 1845.	Dividend, 1846.	Stock sales.	Aggregate Resources or Liabilities.
Atlas Bank.....	\$500,000	6	6	100	\$1,031,498
Atlantic.....	500,000	6	6	100	1,164,408
Boston.....	600,000	7	7	116 a 118	1,743,147
* Boylston.....	150,000		5	98	.....
City.....	1,000,000	6	6	100	2,058,271
Columbian.....	500,000	5½	6	103	1,150,097
Eagle.....	500,000	6½	6½	101	1,261,283
Freeman's.....	200,000	7	8	105 a 107	512,359
Globe.....	1,000,000	6	6½	104 a 106	2,301,012
Granite.....	500,000	6	7	100	1,113,614
Hamilton.....	500,000	6	7	102 a 103	1,088,015
Market.....	560,000	8	9	107 a 108	1,260,965
Massachusetts.....	800,000	5 4-5	6	99 a 100	1,356,809
Mechanics.....	120,000	7	8	100	310,594
Merchants.....	3,000,000	7	7	103 a 105	7,023,635
New England.....	1,000,000	6	6	103	1,477,243
North.....	750,000	6	6	97 a 96	1,389,282
Shawmut.....	500,000	6	6½	95 a 96	1,023,014
Shoe and Leather Dealers....	500,000	6½	7½	105 a 106	1,273,192
State.....	1,800,000	6	6	102 a 103	3,175,152
Suffolk.....	1,000,000	8	8	121	3,907,134
Traders.....	400,000	6	6	96 a 97	853,901
Tremont.....	500,000	6	6	100	1,073,914
Union....	800,000	6	6	103 a 104	1,275,546
Washington.....	500,000	5½	6	98 a 99	926,139

25 banks \$ 18,180,000

\$ 39,750,114

Total dividends, October, 1845, \$561,500. April, 1846, \$593,000. October, 1846, \$603,000. *Commenced operations December, 1845.

Banks of Boston—October, 1846.

Banks.	Location.	President.	Cashier.
Atlantic,	8 Kilby street,	Pliny Cutler,	Benjamin Dodd.
Atlas,	65 State street,	Samuel C. Gray,	Joseph White.
Boylston,	Washington-st.,	Wm. Parker,	D. McB. Thaxter.
Boston,	48 State street,	Robert Hooper,	James C. Wild.
City,	61 State street,	C. W. Cartwright,	John Williams.
Columbian,	34 State street,	John G. Torrey,	William Coffin.
Eagle,	47 State street,	Titus Welles,	Waldo Flint.
Freeman's,	5 Sea street,	Solomon Piper,	Jeremy Drake.
Globe,	22 State street,	Ignatius Sargent,	Charles Sprague.
Granite,	70 State street,	George Denny,	Archibald Foster.
Hamilton,	66 State street,	Daniel Denny,	Otis Turner.
Market,	1 Exchange,	Josiah Stickney,	Jonathan Brown, Jr.
Massachusetts,	66 State street,	William Parsons,	James Dodd.
Merchants,	28 State street,	Franklin Haven,	Lowell M. Stone.
Mechanics,	South Boston,	David Nickerson,	Alvan Simonds.
New England,	67 State street,	Philip Maret,	Elijah P. Clark.
North,	2 Exchange,	James Harris,	John J. Loring.
Shawmut,	39 State street,	Benj. T. Reed,	Stephen G. Davis.
Shoe & L. Dealers',	65 State street,	Enoch Baldwin,	George W. Thayer.
State,	47 State street,	S. Frothingham,	Jonathan Call.
Suffolk,	65 State street,	Henry B. Stone,	Isaac C. Brewer.
Traders',	91 State street,	Isaac Parker,	Jeremiah Gore.
Tremont,	41 State street,	Andrew T. Hall,	James Dalton.
Union,	40 State street,	Samuel Fales,	Chester Adams.
Washington,	75 State street,	Aaron Baldwin,	Daniel A. Sigourney.

BANKS OF MASSACHUSETTS—OCTOBER, 1846.

	No. of Banks.	Capital.		No. of Banks.	Capital.
Andover.....	1	250,000	Millbury.....	1	50,000
Attleborough.....	1	100,000	North Adams	1	100,000
Beverly.....	1	125,000	Northampton.....	1	200,000
Boston.....	25	18,180,000	Newburyport.....	3	510,000
Brighton.....	1	200,000	Nantucket.....	1	200,000
Charlestown..	1	150,000	New Bedford.....	4	1,300,000
Cambridge....	2	200,000	Oxford.....	1	100,000
Cabotsville.....	1	150,000	Pawtucket.,.....	1	100,000
Canton.....	1	100,000	Pittsfield.....	1	150,000
Danvers.....	3	390,000	Plymouth.....	2	200,000
Dedham.....	1	150,000	Quincy.....	1	100,000
Dorchester.....	1	100,000	Roxbury.....	1	100,000
Fairhaven.....	1	200,000	Randolph.....	1	150,000
Falmouth.....	1	100,000	Salem.....	7	1,750,000
Fitchburg.....	1	100,000	Salisbury.....	1	100,000
Framingham.....	1	100,000	Southbridge.....	1	100,000
Fall River.....	1	400,000	Stockbridge.....	1	100,000
Gloucester.....	1	200,000	Springfield.....	3	600,000
Greenfield.....	1	150,000	Taunton.....	2	400,000
Georgetown.....	1	100,000	Uxbridge.....	1	100,000
Haverhill.....	2	340,000	Wareham.....	1	100,000
Hingham.....	1	105,000	Ware.....	1	150,000
Lancaster.....	1	100,000	Waltham.....	1	100,000
Leicester.....	1	100,000	Weymouth.....	1	100,000
Lee.....	1	100,000	Worcester.....	4	550,000
Lynn.....	1	50,000	Wrentham.....	1	150,000
Concord.....	1	100,000	Westfield.....	1	100,000
Lowell.....	2	800,000	Yarmouth.....	1	150,000
Marblehead.....	2	220,000			
					105 \$31,120,000

THE BRITISH CABINET.

The functions of the First Lord of the Treasury; the Lord Chancellor; President of the Council; Secretaries of State; Chancellor of the Exchequer; First Lord of the Admiralty; President of the Board of Trade; Lord Privy Seal; Pay Master General; and Postmaster General.

The "cabinet" is a collective phrase, used to distinguish the ministers of the highest political rank and importance from the general body of functionaries and heads of departments, who vacate office as a matter of course on every change of numbers or opinion in the house of commons—implying "confidence" or "want of confidence" in a ministry. The "cabinet" does not include more than a fourth part of those who are thus affected by the revolutions of politics, and the numbers of the division lists. Thus, it is possible to be a member of the government and not have a "seat in the cabinet;" consequently, to gain that distinction is a natural object of ambition, and the inclusions in it, and the exclusions from it, give rise to a thousand negotiations and discussions; to all those things, in fact, that constitute "ministerial embarrassments" and "difficulties," and render the construction of a cabinet an affair of as much delicacy and nice balancing of one poise against another

as building a house of cards, and often with about the same result with regard to stability and endurance. All the higher offices of the state, those that bear the chief responsibility for the conduct of the public affairs, necessarily give their holders a seat in the cabinet, which seldom consists of less than ten, or more than fifteen individuals. They are always of the privy council also; but here are at least ten times as many members of that right honorable body who are not in the cabinet. This is, in fact, a select body, in whom the whole of the royal authority for the time being is vested; the other ministers being considered as subordinates and the instruments for carrying into effect such measures as the cabinet may determine upon. These measures are broached, discussed, and arranged at meetings of the selected few, popularly known as "cabinet councils;" and when they are summoned with unusual frequency, it indicates there is more than ordinary difficulty and danger in the aspect of public affairs, or the critical position of the cabinet itself. The decisions are taken by votes, and a minister may find himself in the double difficulty of being in a minority in the cabinet and in the legislature at the same time; in such a case, his resignation is inevitable; or, having a majority in parliament, he may, in the same situation, "break up the cabinet," receive the royal command to form a new one, and select colleagues more compliant, or with views more consonant with his own. Or, lastly, certain topics may be left what are called "open questions," that is, when they come under discussion, each minister may vote according to his individual opinion upon them, without regard to his official position. But when any matter is made a "cabinet question," it is expected that the whole body will act together, and stand or fall by the public decision, whatever that may be. We need only add, that the deliberations of the cabinet are strictly secret, and its resolves are frequently unknown, even to the colleagues of this influential "council of ten," till they are put in execution. But, like many other secrets they generally ooze out in a mysterious manner, and become no secrets at all; a memorable instance of this occurred in December last, when the *Times* was able to announce to the world the coming repeal of the corn laws; a statement that was, for a time, refused belief, the credit of the journal hanging in the balance till doubt was converted into certainty. The "cabinet" therefore, it will be understood, is the "collective wisdom" of the ministry, as parliament is the "collective wisdom" of the nation.

FIRST LORD OF THE TREASURY,—LORD JOHN RUSSELL.

The duties once performed by the lord high treasurer have, in modern times, been divided among a board of five persons, styled lords commissioners for executing the office of high treasurer, in the same manner as the board of admiralty has superseded the ancient office of lord high admiral. The first lord of the treasury is always the prime minister, for the time being, or the "head of her majesty's government;" another is the chancellor of the exchequer; the other three are simply "lords of the treasury."

The office of lord high treasurer was held, as every person is aware, during the pleasure of the crown, and was conferred by letters patent; its duties consisted in the government of the court of exchequer, the custody of the king's treasure, the appointment of all employed in collecting the revenues of the crown, and the regulation of public revenues. All these powers are now delegated under letters patent to the commissioners, and the first lord is, for all practical purposes, the lord high treasurer; but his connection with the court of exchequer is now merely nominal.

Killing the lord high treasurer during the execution of his office is high treason.

THE LORD CHANCELLOR.—LORD COTTENHAM.

This distinguished functionary, whose authority is declared by statute (5 Eliz. cap. 18,) to be exactly the same as that of "lord keeper," holds his office during the pleasure of the crown, being created by the will of the sovereign, and not necessarily by patent or writ. The mere delivery of the king's great seal into his custody constitutes the lord keeper, but as lord chancellor he usually receives letters patent in addition. The origin of the name is, according to Sir Edward Coke, "a cancellando," on account of his power of cancelling the king's letters patent, when they are granted contrary to law. The office is very ancient, and said to be derived from the Roman empire, thence transferred to the Roman church, and thus arose a chancellor of a diocese.

The lord chancellor is, by prescription, speaker of the house of lords, and by virtue of his office, a member of the privy council. He appoints all justices of the peace, though usually upon the recommendation of the lords lieutenant of the several counties. He is patron of all livings in the gift of the crown rated below the value of twenty pounds a year. He is the visitor of all hospitals and colleges of royal foundation; the general guardian of all infants, idiots, and lunatics, and the highest judicial officer in the kingdom. When royal commissions are issued for opening the session, for giving the royal assent to bills, or for proroguing parliament, the lord chancellor is always one of the commissioners, and reads the royal speech upon the occasion. When the sovereign opens or closes the session in person, the lord chancellor stands on the right of the throne, and hands to the monarch the speech opening or terminating the annual labors of the legislature. In his person the lord chancellor enjoys considerable protection, for it is high treason for any one to put him to death, it being considered that, during the execution of his office, he is the immediate representative of the sovereign.

As the mere delivery of the great seal to the custody of this functionary is the mode of his appointment, so the resumption or resignation of that instrument constitutes the chancellor's dismissal or retirement.

The title of lord high chancellor is also given to the chancellor for Ireland.

PRESIDENT OF THE COUNCIL.—THE MARQUIS OF LANSDOWNE.

The president of the council is appointed by letters patent, under the great seal *durante bene placito*, and resigns his office with the political party to which he belongs. His duties include attendance on the king's person as an officer of state, and he manages all debates in the council, proposes matters at the sovereign's command, and reports the resolutions of the council which may be agreed to thereupon. From the reign of king John to that of Elizabeth he was styled *Principalis et Capitalis Consiliarius*, but in that queen's reign the office was suspended, and the lord keeper supplied his place. Charles I. revived the office on one occasion, but it subsequently remained vacant till the council was remodelled by Charles II., 1679, since which period it has been regularly occupied by a peer of considerable political importance.

SECRETARIES OF STATE.

The three chief secretaries of state are—EARL GREY, for the *colonies*; LORD PALMERSTON, for *foreign affairs*; and SIR GEORGE GREY, for the *home department*. The nature of their several duties will be suggested by the names of the offices over which they preside; but their rank, position, and powers, will require some little explanation.

Though in modern times it has been the practice to entrust the duties of

secretary of state to three individuals, yet this division of labor is only an arrangement to facilitate the despatch of public business, and the three secretaries are in theory but one; for their duties may be discharged by an individual, and their authority being co-ordinate, each is competent to execute any of the functions of the other two. To the secretary of state is delegated the authority of the crown throughout all our colonial possessions—governors, lieutenant-governors, and other public officers, being chosen at his immediate recommendation. To him is entrusted the appointment of all ambassadors, envoys, and other diplomatic ministers—the conduct of all negotiations and transactions with foreign powers—and the general superintendence and management of our relations with other countries. It likewise belongs to the secretary of state to fulfil the duties of a minister of police, to superintend the domestic and internal government of the country, to regulate the administration of justice, and in effect to exercise the prerogative of mercy. It is evident, then, that the office naturally divides itself into a triple arrangement, namely, the home department, foreign affairs, and the colonies. Each of these being now entrusted to different individuals, may be considered as a distinct branch of the executive government; for the only remaining trace of their original concentration under a single officer, consists in the fact, that no change of departments among the three is considered as a new acceptance of office under the crown, and it therefore does not unseat such secretaries of state as are members of the house of commons. Secretaries of state are always privy counsellors, members of the cabinet, and of parliament. It generally happens that there are two secretaries of state in the lower house, and one in the upper; this, however, is sometimes reversed; but there is no instance of the three secretaries being at once members of the same branch of the legislature.

The secretaries of state are appointed, as in ancient times, by the crown delivering to them certain seals of office; but in addition to this investiture, they have in modern times received also a patent under the great seal; formerly, however, no patent accompanied this delivery of the ensigns of office.

The secretary of state is, *ex officio*, a magistrate throughout every portion of the country; but the power of issuing general warrants in which the offenders are not specifically described, is an exercise of authority which no other magistrate is competent to perform, and which, even in the hands of the secretary of state, has given rise to considerable doubt. Lord chief justice Pratt, in giving judgment respecting the well-known John Wilkes, who was arrested under a general warrant, in 1763, said, "that he should consider a secretary of state's warrant throughout the whole affair as nothing superior to the warrant of a common justice of the peace."

The origin of the office of secretary of state, and the gradual alterations, which took place at different periods in his powers and authority, afford a striking exemplification of the manner in which the English constitution adapts itself to circumstances, without the frequent interference of legislative enactments, or the violence of sudden change.

Until about the end of Elizabeth's reign this officer was in no respect a member of the government, his duties being confined to the royal correspondence, and the communication of such of the sovereign's commands as were given in writing. The title of "principal secretary of state" arose from the existence of a secretary for the French language as well as one for the Latin language, both during and subsequent to the reign of Henry VIII. In 1539 the first important change took place, in the constitution of this office, for then the duties were divided between two persons bearing the same title, performing analogous functions, and entitled to a similar rank;

but for many years after the reign of Elizabeth there was but one principal secretary of state; and in the forty-third year of that monarch's reign the first instance occurred of this officer being styled "our principal secretary of estate." Soon after the union with Scotland the number was professedly increased to three, by the swearing in of James, duke of Queensberry, who, as well as his successors in office, were considered to be secretaries of state for Scottish affairs. This appointment was discontinued, however, in 1746; and from that time till 1768 there were but two secretaries. In the latter year, however, on the resignation of one of the existing secretaries, two were appointed in his place, of whom one was destined to take charge of our American possessions. But by statute 22 Geo. III., cap. 82, the office of colonial secretary was abolished, and there remained but two secretaries till 1794. From 1794, however, to the present day, there have never been less than three, viz. one for the home department, one for foreign affairs, and one for the colonies.

Until about the year 1782, it was the practice to describe the two departments, one as "northern," and the other "southern," but about that period these terms were discontinued, and the duties divided into "home" and "foreign;" the former of these performed the duties of colonial secretary till a separate officer was permanently appointed in 1794. The northern department used to include Germany, Denmark, Sweden, Poland, Russia, &c., while the southern included France, Switzerland, Italy, Spain, Portugal and Turkey. The designations at present in use of home and foreign require no explanation.

In 1794, the increase of business consequent upon the war, occasioned the appointment of the Right Honorable Henry Dundas, afterwards viscount Melville, as secretary of state for war; an office which must not be confounded with that of secretary at war. In the year 1801, the business occasioned by the colonies was transferred to the secretary of state for the war department, and the two offices have ever since remained consolidated, notwithstanding an attempt which was made in 1816 to have this third secretaryship abolished. Mr. Tierney's motion, in the house of commons, to this effect, was negatived on the ground that, although the war, for which the office was established, had ceased, yet the colonial branch of his business was sufficiently important and extensive to require the undivided attention of a distinct officer.

Each department includes an extensive establishment of under-secretaries and clerks. The business of the home department is conducted in Whitehall, while the colonial and foreign offices are in Downing street.

There are altogether six under secretaries of state, two for each department. One of these two is generally a member of parliament, and is appointed or resigns with the political party of which he is a member. The other secretary in each office is unaffected by ministerial changes, and in the absence of the principal secretary, he is the official representative, just as his political colleague is the parliamentary organ of the department to which he belongs.

The *secretary for Ireland* is subordinate to the secretary of state for the home department, for whom he may be said to act in all Irish business. That office is at present filled by Mr. HENRY LABOUCHERE, M. P. for Taunton.

The *secretary at war* is the medium of communication between the army and the government of the day, just as the adjutant general is the channel of intercourse between the commander-in-chief and the military forces of the country. His department has an especial bearing upon the financial portion of the government of the army. He is bound to give

effect to the orders of the commander-in-chief, so long as they are consistent with the known resources of the service; but when they appear likely to occasion an excess of expenditure, he refers for further instructions to the treasury, by whose decisions he is bound to abide. His duty is to prepare the army estimates, and lay them before parliament; he is always, therefore, a member of the house of commons. He is occasionally, though not always, a member of the cabinet, but he is usually a privy councillor.

The office was established in 1666; and the first person who held the appointment was detached from the secretary of state's office, so intimately connected were the two departments then considered. The gazetting of military appointments and promotions, the preparation of the annual mutiny bill, the framing of the articles of war, and the investigation of complaints against the military, all fall under his control.

This office is discharged by the Right Hon. Fox MAULE.

THE CHANCELLOR OF THE EXCHEQUER.—MR. CHARLES WOOD, M. P.

When the burly Sir John Falstaff resolved himself into a committee of ways and means, the urchin he interrogated unconsciously performed the great duty of a chancellor of the exchequer—which is to make a statement of the general condition of the finances. "What money is in my purse?" is an important question, both to individuals and nations: it is that question which the chancellor of the exchequer has really to answer. May the whigs escape that "deficiency" with which Sir John, like many other great men, was troubled, and rejoice in a continuation of the "surplus" they inherit from Sir R. Peel!

The chancellor of the exchequer is a lord of the treasury, and must always be a member of the lower house; the peers not having the power of altering, amending, or originating measures involving the expenditure of public money.

Among the duties of the chancellor of the exchequer, is that of making each year a general statement of the financial condition of the country. This speech is technically termed "the budget," and embraces a review of the income and expenditure of the last year, as compared with those of preceding years; remarks upon the financial prospects of the country; an exposition of the intended repeal, modification or imposition of taxes during the session; a detail of the public expenditure during the current period, with its grounds of justification; an account of all operations relating to the national debt, and finally, the excess of income over expenditure, or *vice versa*, accompanied by such observations as the occasion may seem to require.

On the death of a chancellor of the exchequer, it has been the practice to commit the exchequer seal (which he holds) to the custody of the lord chief justice of the Queen's Bench.

FIRST LORD OF THE ADMIRALTY.—LORD AUCKLAND.

The board of admiralty now discharges the duties once attached to the office of lord high admiral, which was always conferred on a prince of the blood. James the Second, when duke of York, filled this post, in the reign of his brother Charles, commanding in person in the Dutch war. The last case in which the office was held by an individual was that of the duke of Clarence, for a short time, in 1827 and 1828. The duties had, long before that period, and have been ever since, performed by a number of "lords commissioners," commonly known as the "board of admiralty," of which

the first lord is the chief. Besides him the board consists of four, or more usually six junior lords, and two secretaries. Two of the lords at least are always naval officers, but the others may have no professional connection with the service. All the power and authority is vested in the chief lord; and he is, to all intents and purposes, the lord high admiral, the other lords merely acting as his advisers and counsel. All the commissioners and the first secretary hold their offices during pleasure, and are, therefore, members of the political party to which the ministers of the day belong. A new commission is of course made out whenever any change takes place in the responsible advisers of the crown; but even when the object is to confer a seat at the board upon one individual instead of another, it is the practice for an entirely new commission to be issued, re-appointing those who are to continue, and substituting the name of the new lord for that of the person retiring.

The majority of the lords of the admiralty are usually members of parliament; the first lord is ostensibly as well as really, the head of the department, and may or may not be a peer; but he is always a privy councillor and a member of the cabinet, and is responsible in parliament for the conduct of that branch of the public service. When he happens to be a member of the upper house, the first secretary to the admiralty is always chosen from amongst the supporters of ministers in the commons, and accordingly represents the department in that branch of the legislature.

The functions of the lord high admiral, or the board of admiralty, consist in the government of the navy, both in peace and war. By their orders, all ships are built and repaired, laid up in ordinary, or fitted for sea, broken up or sold entire, put into commission or out of commission, armed, stored, and provisioned, employed at home or on foreign stations. All appointments and removals of commission and warrant officers, with the exception of masters and surgeons, are at their disposal, and from this board emanate all instructions for the guidance of officers in command. From this board also proceeds all promotion in the several ranks; and in consequence of their recommendations, all honors, pensions, gratuities and superannuations are granted. To the board of admiralty all official returns from the fleet, and every practical detail respecting the discipline and condition of the ships, are addressed. All orders for the payment of money on account of the navy are given by them, and they prepare that portion of the annual estimates which concerns their department of the public service. Repairs, alterations and improvements in the dockyards, new buildings, inventions and experiments relating to naval matters, are all laid before them for approval; and tenders for the provisioning and storing of the ships are addressed to them after public advertisement.

PRESIDENT OF THE BOARD OF TRADE.—THE EARL OF CLARENDON.

The board of trade is a sub-committee of the privy council, to which is delegated the control of all measures influencing the commercial interests of the country. The president and vice-president are changed with each change of government; the former office is now held by the earl of Clarendon. Since the great development of the railroad system, a department of the board of trade has been established for the regulation of railway business.

The *President of the Board of Control* is an officer of a similar character to the foregoing, charged more particularly with the management of East India affairs, in conjunction with the East India Company; it is held by Sir J. Cam Hobhouse.

LORD PRIVY SEAL.—EARL OF MINTO.

The lord privy seal is appointed by letters patent: and, as the name implies, has the especial custody of the sovereign's privy seal, which is affixed to all charters, warrants, grants, and pardons, before the great seal is applied to them. It is his duty to apprise the monarch of any inconsistency that may exist between the common law of the land, and any instrument he is directed to seal.

PAYMASTER-GENERAL.—MR. T. B. MACAULAY.

The paymaster-general holds one of those offices which are conferred and resigned at the formation of every new ministry. He is invested with no discretionary powers, but makes payments in strict pursuance of such warrants as the treasury or secretary at war address to him. Each regiment has, in addition, a paymaster of its own, who is, of course, to a certain extent, under the control of the paymaster-general. Formerly the paymaster-general was only entrusted with the payment of the military forces of the country; but, of late years, a consolidation has been practically effected in three of the departments of the public service, by conferring upon one person the office of paymaster-general, treasurer of the ordnance, and treasurer of the navy.

POSTMASTER-GENERAL.—THE MARQUIS OF CLANRICARDE.

This, perhaps, one of the most modern of the great offices of the state; and, from the name itself, the nature of its functions must be apparent to every one. A department so entirely practical, so unchanging in its purpose, and so little affected by, or effecting political changes, ought certainly to be exempted from the list of the "ins and outs." A permanent chief of this great national establishment, thoroughly acquainted with its workings, and above the trammels of routine and red-tapism, would be of great public advantage. But it is an improvement yet to be made.

LORD MORPETH—LORD CAMPBELL.

There are two other offices of the cabinet, which, although political in their tenure, are less connected with political functions than the others: one is the post of *first commissioner of woods and forests*, held by lord Morpeth; and the *chancellorship of the duchy of Lancaster*, which has been given to lord Campbell. The duties of the first are principally the administration of the land revenues of the crown; of the latter, the legal business of the County Palatine. [*London paper.*]

SALARIES OF THE BRITISH MINISTRY.

The annexed list will show the singular contrast between the salaries bestowed upon the eminent men of England and those given to the eminent men of our country:—*Ed. B. M.*

First lord of the treasury	£5,000
Lord high chancellor	14,000
Lord president of the council	2,000
Lord privy seal	2,000
Secretary of state, home department	5,000
Secretary of state, foreign department	5,000
Secretary of state, colonial department	5,000
First lord of the admiralty	4,500
Paymaster-general	2,500
President of the board of control	2,000

The above are in the cabinet.

Secretary of war	£2,500
Lord lieutenant of Ireland	20,000
Lord chancellor of Ireland	8,000

JUDICIARY.

Master of the rolls	£7,000
Vice chancellor (each)	6,000
Lord chief justice of the queen's bench	10,000
Four judges of the queen's bench (each)	5,500
Lord chief justice of the court of common pleas	8,000
Four judges of the court of common pleas (each)	5,500
Lord chief baron of the exchequer	7,000
Four barons of the exchequer (each)	5,500

REVENUE OF THE BISHOPS.

Archbishop of Canterbury	£129,946
Archbishop of York	223,220
Bishop of London	267,662
Bishop of Lincoln	373,976
Bishop of Norwich	331,750

~~93~~ The combined revenue of the two archbishops and twenty-five bishops of England is computed at . . . £3,154,560

The Bishop of Calcutta	£5,000
The Bishops of Jamaica and Barbadoes (each).	4,000
The Bishops of Bombay, Madras, and Quebec (each)	2,500

AMERICA.

President of the United States	\$25,000, equal to £5,176
Secretary of state, war, treasury, and navy (each,)	6,000, " £1,242
The governor of Vermont	750!! " £ 155
The governor of Rhode Island	400!!! " £ 83

LEGAL MISCELLANY.

We alluded briefly in our October number, to the highly important case, involving the acts of the North American Trust and Banking Company, of New York. The opinion of vice chancellor M'Coun in the case of David Leavitt, receiver of the North American Trust and Banking Company *vs.* Henry Yates, Thomas T. Tallmadge, Wm. Curtis Noyes and others, has been published in a pamphlet of 29 pages 8vo. Said opinion was pronounced on the 22d September.

Messrs. Yates, Tallmadge and Noyes, were trustees, to whom had been committed by the bank, in trust, certain bonds and mortgages, as security for the payment of certain promissory notes issued by the bank, as a means of raising money. The vice chancellor pronounces this whole batch of notes illegal, not being based upon the pledge of securities *with the comptroller*, nor intended to be countersigned and registered as required by the banking law. The notes being void, the assignment of assets to secure their payment, is also void, and of no avail to the parties claiming an interest under it. The "opinion" enters largely into the merits of the case, and concludes as follows :

I have now done examining all the claims presented, on the hearing of the cause, in behalf of holders of notes issued under the trust deed of the 15th December, 1840, which notes and deed, it has become my duty, to declare void, as being of no force and validity in the law against the complainant in his capacity of receiver. There are a number of other persons, besides the claimants I have mentioned, who hold some of the notes, and have therefore been made parties to this suit, but who have not appeared and answered. Any claims that have been supposed to have or hold, by virtue of such notes, upon the property covered by the trust deed of assignment, will be cut off by the decree I am about to make.

It must be understood, however, with respect to all the holders of these trust notes, that the decree is only to declare the notes void in their hands, so that they are not to be used as evidence of debt against the North American Trust and Banking Company, or its receiver. Beyond this, I make no decree affecting the holders of this paper. I am not called upon to determine, (because such determination is not necessarily involved in the case,) whether or not the persons who have received notes connected with this trust, are to be considered creditors of the company, irrespective of the notes, and how far they may have a right to participate in the distribution of the property which Mr. Leavitt, as the receiver, may hereafter make. It is rather incidentally, than otherwise, that I have intimated an opinion in respect to some of the parties dealing directly with the company, that they may go back to the original consideration on which their claims arose. Perhaps, throwing aside the notes, they may be able to show that they are creditors to some amount, if not to the whole amount of the notes.

The decree must contain a reservation of their rights in that respect.

With regard to the trustees, Messrs. Yates, Tallmadge and Noyes, the decree must direct them to surrender the property which passed into their hands under or by virtue of the trust deed, and to account before a master for the disposition made of the same and of its proceeds; all those portions of the assigned property heretofore placed by any order of this court, in the hands or possession of a special receiver, must likewise be given up to the complainant with its proceeds, under the direction of a master, after all just allowances to the special receiver or receivers, who will then be discharged.

I have considered the point with regard to the allowances to be made to the trustees on the breaking up of the trust and the surrender of the property; and although the trust deed provides for a salary or compensation to them, out of the property assigned, yet as the whole thing was void, as being contrary to law, and not merely voidable at the instance of creditors, I am of opinion, they can have no just or valid claim to salary or compensation for any service they may have performed in relation to the trust or the property.

Their right in that respect, fails them with the failure of their legal title, and the court of chancery cannot undertake to allow a compensation for services voluntarily undertaken and performed in relation to property, over which the parties could not lawfully assume and exercise a control for the purposes they intended. Whatever money has been expended in the keeping and preservation of the property, or in the management of it with a view to its safety, while the title was in dispute, including reasonable clerk hire, the keeping of accounts, and the expense of employing agents to look after the property when necessary, should be paid out of the property and be allowed to the trustees under the head of just allowances. This will be a matter for the master to ascertain and allow on passing their accounts.

I have likewise considered the question of costs, which is by no means an inconsiderable matter in a suit of this magnitude. With so many parties,

such voluminous pleadings, depositions and exhibits, and so large an amount of money, or that which represents money, involved in the issue, this suit has scarcely had its parallel I believe in this court.

A strong effort is made to have the complainant's costs charged upon the trustees personally, while they and the other defendants contend that the costs should be paid out of the property or funds going into the hands of the complainant.

Awarding costs is a matter of discretion in this court; a discretion to be regulated and determined by the particular circumstances of each case. The principal parties engaged in this suit are acting in representative capacities; not suing or defending in their own individual personal rights; generally such parties are not charged with costs to be paid out of their own pockets. While I think the trustees, Messrs. Yates, Tallmadge and Noyes, may be excused from paying the complainant's costs of the suit, because from the position in which they stood, they could not well do otherwise than defend it, yet considering that they were not strangers to the transactions of the banking company when they consented to become trustees and undertook the performance of the trust, I do not feel justified in saying that they are to have their costs out of the property or fund. The least I can do is to leave them to bear their own costs of the suit, while the complainant is left to charge his costs to the fund coming into his hands. So with regard to creditors who have appeared and set up claims, and have succeeded to some extent in regard to particular equities, they also are entitled to taxable costs out of the fund. This, however, extends only to the executor of Vyse, and to Palmer, Mackillop, Dent & Co.

NOTE.—A case somewhat similar will be found at page 19, Bankers' Magazine, being an action brought against the guarantor of a note issued by the same company, for \$3,700, after the act of May 14, 1840, the fourth section of which act is as follows.—*Editor B. M.*

"No banking association or individual banker, as such, shall issue or put in circulation any bill or note of said association or individual banker, unless the same shall be made payable *on demand* and without interest; and any violation of this section, by any officer or member of a banking association or by any individual banker, shall be deemed and adjudged a misdemeanor punishable by fine or imprisonment, or both, in the discretion of the court having cognizance thereof."

LEGAL TENDER.

In a case pending before Baltimore county court, sitting as a court of appeals, Judge Purviance presiding, a question arose as to whether *cents* are a legal tender. From the evidence, it appeared that the appellant had tendered, in payment of a debt amounting to upwards of \$20, a bag of cents, which were refused. On the part of the appellee it was contended, upon the authority of a decision of the supreme court of South Carolina, that cents are not legal tender in payment of any debt amounting to more than four cents, as the smallest silver coin is the half dime or five-cent-piece, and as the constitution of the United States uses only the words *gold and silver*. For the appellant it was maintained that the act of assembly of Maryland, 1812, makes the coins of the United States current money, which may be tendered in payment of debts in Maryland, and that cents are as much the coins of the United States as any coins issued from the mint. In the course of the evidence it appeared that the tender was not made to a *person authorized to receive it*, and therefore the case passed off upon this point, the learned judge, however, in the course of his opinion, intimated that no difficulty

could exist as to the fact of *cents* being a legal tender, and in support of his opinion referred to a note to 2 Greenleaf on Evidence, page 496,—an able work, sanctioned by the approbation of the late Judge Story—in which it is declared “copper cents and half cents are established as part of the currency, and by implication made a legal tender, by stat. 1792, ch. 39, sec. 2.” The case was ably and elaborately argued by W. P. Preston, Esq., for the appellant, and W. H. Collins and J. C. Blackburn, Esq., for the appellee.

BROKER'S COMMISSIONS.

Defendants employed plaintiff, a broker, to sell certain property. Plaintiff communicated to them the name of a person who offered to purchase, but at a price less than defendants asked. The latter rejected the offer and discharged the broker; but, shortly after, through another agent, sold the property to the person whose name was communicated by plaintiff, and for the price originally offered by him. *Held*, that defendants could not, by discharging the plaintiff and consummating the negotiation through another, deprive him of his right to compensation for services which eventually enured to their benefit.

As a general rule, the whole service or duty must be performed, before an agent can claim any commissions; but cases may occur in which he will be entitled to a remuneration for his services in proportion to what he has done, although the business be not concluded, as where its completion was prevented by the act of the principal.

The defendants appealed from a judgment of the commercial court against them. The judgment was affirmed.—*Gottschalk v. Jennings*, supreme court of Louisiana, New Orleans, 1846.

NEGLECT OF A NOTARY.

Where a bank in which a note has been deposited for collection, places it, in case of non-payment, in the hands of the notary to whom its own business is uniformly entrusted, to be protested, it will not be responsible for the failure of the notary to protest the note, or to notify the proper parties, having shown the same care and attention in the management of the business entrusted to it which men of common prudence bestow on their own affairs.

The plaintiff appealed from a judgment of the district court of the first district against him. The judgment below was affirmed.—*Baldwin v. Bank of Louisiana*. *Ibid.*, 1846.

NOTE.—This decision is at variance with the opinion held by the court of errors of the state of New York, being the highest court in that state. See October No., p. 225.—*Ed. B. M.*

BILLS AND NOTES.

The holder of a bill of exchange, on *non-acceptance* and protest and notice thereon, has an immediate right of action against the drawer, and does not acquire a fresh right of action on the *non-payment* of the bill when due. The statute of limitations, therefore runs against him from the former and not from the latter period. Doug. 55; 5 M. & Sel. 282; 7 Taunt. 312; 1 Stark. 7; 13 East, 498. *Whitehead v. Walker*, 9 M. & W. 506.

A promissory note made payable to the order of the person who should there-after endorse the same, is negotiable. *The United States v. White & Hungerford*, vol. 2, Hill's New York Reports, 59.

A guaranty of an endorsed note was thus : "I guaranty the collection of the within note : " *held* that, in an action on the guaranty, the plaintiff must show a diligent attempt to collect, both, as against the *endorser* and *maker*, or he could not recover. *Loveland v. Shepard*, 2 Hill's N. Y. Reports, 139.

After presentment and non-acceptance of a bill of exchange, and due notice given, it is not necessary that it should be presented for payment. *Bank of Rochester v. Gray*, *Ibid.*, 227.

The certificate of a notary who has protested a foreign bill of exchange, stating that he notified the endorser, cannot be received as evidence of such notice, in whatever mode the certificate may be authenticated. *Ibid.*

One to whom a promissory note has been transferred before due as collateral security for endorsements to be made by him, which are afterwards made, and who takes it without notice of a defence existing against it in the hands of the person from whom he received it, is entitled to be treated as a *bona fide* holder in the commercial sense. *Williams, executrix, &c., v. Smith and others*, *Ibid.*, 301.

In order to charge the endorser of a lost negotiable promissory note, the holder must tender an indemnity both to him and the maker at the time of demand and notice ; and should the endorser sustain any injury by reason of the holder's neglect in this particular, it will be a good defence at the trial. *Smith and others v. W. and J. J. Rockwell*, *Ibid.*, 482.

Service of notice of dishonor cannot be made through the mail, if the party sought to be charged reside in the same place where presentment or demand is made. *Ransom & Ransom v. Mack*, 587.

Otherwise, if he reside in another place, several miles distant, though in the same town ; provided it appear that there is a post office near his residence at which he usually receives his letters and papers, and a regular communication by mail between the two places. *Ibid.*

A notary, ignorant of the residence of M. the first endorser of a note to whom he was about sending notice of dishonor by mail, applied to the second endorser, who, assuming to possess the requisite information, designated the post office at A. as the one to which it should be directed, and it was sent accordingly : *held*, that though M. did not receive his letters and papers at that office, his residence moreover being nearer another, yet the notice was sufficient to charge him, due diligence having been exercised by the notary. *Ibid.*

Payment of a bill or note cannot be demanded on the *fourth of July*, so as to charge the drawer or endorser ; but if that be the last day of grace, demand should be made on the *third*. *Ibid.*

A bill of exchange, mentioning no place of payment, was drawn upon and accepted by partners as such, one of whom died before it became due : *held* that a presentment of it for payment at the surviving partner's place of business, was sufficient to charge an endorser, and that no demand need be made of the personal representative of the deceased partner. *The Cayuga County Bank v. Hunt*, *Ibid.*, 635.

Business hours, in respect to the time of presentment and demand of bills and notes, generally range through the whole day down to the hours of rest in the evening, except where the paper is due from a bank. *Ibid.*

A notarial certificate of protest of a bill of exchange stated a presentment for payment at the office of the acceptor on the proper day, and that the office was closed, &c. but was silent with respect to the *hour* of doing the act ; yet *held*, sufficient, as regularity in this particular should be presumed. *Ibid.*

STATE OF MARYLAND DEBT.

To the Editor of the Bankers' Magazine :

The article lately published in the New York Courier, Baltimore American and National Intelligencer, is somewhat calculated to lead persons astray, inasmuch as it *assumes* as correct the estimate made by the committee of ways and means as to the resources of the current year.

The debt of the state of Maryland on 1st Dec. 1845, was \$15,186,784 98.

In six per cents,	\$ 3,829,359 14
In five do.	1,899,759 17
In five do. (sterling,)	8,857,666 67
In four and a half,	100,000 00
In three,	500,000 00

\$15,186,784 98

This includes \$3,200,000 issued to the Baltimore and Ohio Rail Road Company and not used, and \$60,000 for tobacco inspection warehouse, the interest of which is paid from receipts from inspections.

The balance is \$11,926,784 98.

The interest on which is \$ 311,171 66 payable in London.
and 344,249 50 do. at loan office, Baltimore,
by J. S. Gittings, Com'r. Loans.

\$ 655,421 16

The state suspended payment of its interest on the 1st January, 1842. The arrearages of interest on 1st December, 1845, were \$1,376,871 24.

The property in Maryland liable to taxation is \$177,139,645 23, on which a levy of *one quarter per cent.* is \$442,849 11.

Coupons and certificates of interest issued by the commissioner of loans, in sums of not less than \$5, are receivable in payment of taxes.

To pay the interest,	\$655,421 16
State has tax $\frac{1}{4}$ per cent.	\$442,849 11
Interest on tobacco loan,	3,600 00
Dividend on Washington rail road,	33,000 00
do. on Baltimore & Ohio rail road,	15,000 00
	<hr/>
	\$494,449 11

Deficiency, \$160,972 05

To make up this amount, the committee of ways and means at the last session, estimated that there would be received from the tide water canal, the sum of \$ 67,000

Baltimore and Susquehanna rail road,	20,000
Stamp act,	40,000
Other sources, say,	80,000

Total, \$ 207,000

Deduct deficiency above 160,972 05

Apparent surplus, \$46,027 95

Unfortunately, the estimates on tide water canal, and Baltimore and Susquehanna rail road will not be verified, and \$50,000 must be deducted on those accounts. But this amount may be supplied from arrearages of taxes.

The *bonus* from the Washington rail road, from passengers is not included—being especially pledged to the school fund.

The sinking fund will be the subject of another paper.

We annex the estimate of revenues for 1846, as made by the committee of ways and means, viz.

Estimated Receipts for the year 1846.

From all ordinary sources, including the dividends on road stock, and from the Washington branch of the Baltimore and Ohio rail road, for one-fifth of the receipts from passengers,	\$281,400
From the tax on foreign insurance and protests,	\$4,000
From the tax on collateral inheritances, legacies and distributive shares,	10,000
From the tax on commissions of executors and administrators,	15,000
From the tax on commissions of trustees and receivers,	3,000
From the tax on civil commissions,	2,000
From the Baltimore and Susquehanna,	20,000
From the Susquehanna and Tide Water Canal Companies,	67,056
From the tax on certain officers,	10,000
From the direct and income tax,	475,000
From the stamp tax,	40,000
	<hr/>
	646,056
Estimated receipts,	\$927,456
Deducting the expenditures,	850,474
	<hr/>
And there remains a balance of	\$76,982
Over and above this balance of about \$77,000, there was in the treasury on 1st December, 1845, a clear unappropriated balance of \$158,257.	
A BANKER.	

REPUDIATION.

A letter from J. J. SPEED ESQ. of Baltimore, to a landholder of Maryland ; on the subject of Repudiation.

I confess to you that none of the modern heresies, in politics or morals, have filled my mind with such dismay as this doctrine of repudiation. Gross and startling enough some of these heresies have been, to be sure—and it has been painful to see the private and public mind giving way before their slow and covert approaches. But here is a great and lion-like leap in the path of dishonesty—performed at noon-day—at which the mind shudders and trembles; it shudders at the enormity and impudence of the sin, and trembles for its effects upon the fair name of the country.

If patriotism be a love of country and devotion to its government, the sentiment must become extinct in the breast of the man of virtue—for he cannot love a country that is stained with infamy, or feel devotion to a government that has tolerated dishonor. The extinction of this noble sentiment must speedily be followed by the decrepitude—the dissolution of the state. Such gross depravity in the public morals is the fatal disease of the body

politic. Its corrosive and deadening effect will be rapid and certain. Before it the state will sink—and then will come the whirlwind and thunder of revolution, to drive away the impurities, and refresh the moral atmosphere, as the storms of the elements fan away the effluvia of pestilent bogs and pools.

Some men imagine that the diffusion of the great shame of repudiation among all the people will leave but a little portion to each one's share; not enough to sink this individual or that into dis-esteem with his fellow men; and so they are emboldened to countenance in the public councils, and abet at the ballot box, measures which they wish it to be believed they would scorn in the intercourse of private life. The fallacy of this position consists, in the first place, in its want of truth; *for, in my judgment, the man who would repudiate the public debt would repudiate his own, if the lash and sting of the law left him free to do it.* The reasoning, moreover, is fallacious; for the public disgrace is each citizen's dishonor; the blot upon the national escutcheon has its full and broad impress upon the forehead of every man that has contributed to produce it. The enduring stigma is upon his brow, and his children's children will feel the hated shame.

Lawgivers are aware that without strong penal restraints upon the private actions of men, a sufficiently pure tone of morals for the purposes of society cannot be secured—hence, arson and treason and murder are denounced as capital offences, and great and hideous punishments are allotted to them; and swindling, and theft, and procuring money by false pretences, are denounced as felonies, and condign inflictions are allotted to them. Yet what shall we say of these lawgivers, the government, the parental head, when itself becomes guilty of all these latter offences? For, wherein is repudiation better than theft, and swindling, and withholding money that was obtained by false pretences!

Let us not disguise matters. Historians and posterity are to come after us, and they will speak of our actions with the praise or censure—the pride or the scorn that they may deserve. I affirm that repudiation of the public debt is an act which embodies all the turpitude of the above enumerated felonies. It is the result of a purely dishonest emotion in the public breast. It is the open expression of a determination to withhold from another what rightfully belongs to him. It is the deliberate, undisguised, and base avowal of a dishonest purpose. *The offence is not in the slightest degree mitigated by an argument drawn from the inconvenience of paying the debt, or the burthens of taxation that may be necessary to remove it. This should have been inquired into before the debt was contracted; at any rate, it is a question with which the creditor has no concern; it has nothing to do with the validity of his claim, or the obligation of the state to meet it.* Complaints of heavy taxation should be addressed to the government that may have made the burthen necessary, by unwise or profligate legislation; and not to the honest creditor who has shown his respect for the state by relying upon the faith and honor of its rulers.

The government of a sovereign state chooses to embark in enterprises, for the public good, that are beyond its ordinary means, and cannot be compassed by the supplies of its ordinary courses of taxation; it is led to pledge its faith, and borrow money from individuals, looking forward to rich returns, either in the shape of pecuniary gain, or increased political strength and advantage. The works are prosecuted with the public countenance and favor, and the loan receives, over and over again, expressions of the public approbation. At length, from the fickleness or the feebleness of the public councils—some new doubt of the utility of the projects—or other cause, they fall into disfavor;—they are abandoned, or prosecuted but tar-

dily—the debt contracted for their benefit, is disowned, and the confiding creditor of the republic is spurned from the door of the treasury. Can any thing be more utterly pusillanimous, or basely dishonest than this? How does such conduct comport with the high and elevated principles of our boasted Declaration of Independence? We there accuse a monarch of bad faith, and, with the most solemn adjurations to God, affirm that, for so great a sin, he merits the frown of the nation and the dismemberment of his empire. In contrasting the government we were leaving, with that we were about to form, we affirm that the latter is to be founded upon the purest truth—the strictest fidelity to justice and all its engagements. What a commentary would this act of repudiation furnish upon all this! Into what solemn mockery would it not turn it! After having appealed, with such solemnity and fervor, to the Most High for the purity of our motives and designs, of what perjury shall we not be guilty by so early, so gross, and so flagrant a breach of the national faith? But, aside from the offence against God, in what a position should we be placed with our fellow-men! Would not the nations shun us? Would they not combine against us, and scourge us for the great indecency and wickedness of our acts? Who shall number or weigh the ills of the state that shall fall into such profligate courses? What can redeem it? Though the industry of the husbandman may be blessed, and the harvest may be abundant—though the enterprise of our merchants may bring wealth to our shores—though every interest of the land may flourish—yet, if there is dishonor upon its name, contentment can never dwell in its border. It will fall into disrespect and disrepute—the public affection will be estranged from it; it will be accursed of men, and forsaken of God.

Admonition, however impressive, will probably fall like idle babbling upon the ears of those whose minds have been corrupted to the extent of admitting the doctrine of repudiation; but it may not be useless to portray to the great masses of our fellow-citizens the horrid tendency of such pernicious tenets. The press should, therefore, pour forth its daily rebuke; the patriot should ring the alarm in his conversations and his writings; those in high places, and upon the summits of society, should make their acts more conspicuous, hold their lights higher and higher up, and win their countrymen from such delusions by burning words, and by the more forcible eloquence of good examples. Let us remember the virtues of our fathers; let us remember that this is their land, before we permit it to be covered over with infamy. Let us appeal to all sacred considerations, to ancient lessons, to the common decencies of life;—let us pause and deliberate, and humble ourselves before God, and pray him to spare our minds the pollution of admitting for a moment the thought of violating the national faith. The moment such a sentiment obtains admission into the mind, dishonor becomes enthroned in the heart; and virtue and truth will fly in search of a safer asylum.

If the states of this confederacy shall find themselves in difficulties from the burthen of debt they may have contracted in attempts to improve their territory, let them be patient—remember that the motive for borrowing was good—be cheered and strengthened by this consideration, and feel assured that frugality and labor will ultimately relieve them. Let them remember that the money has been spent in attempts to improve an empire, and not in the desolations of war; that it has been laid out for the benefit of posterity, and not to purchase for themselves temporary pleasures, or a vain and fleeting magnificence. Let them not descend from the dignity that belongs even to the honest debtor, who acknowledges his debt, asks no favor, disdains all shuffling, scorns all subterfuge, but prepares, with manly pride, to meet his

obligations to the uttermost farthing. Shall these sovereignties, who have heretofore borne themselves so nobly, be frightened from their positions, and betrayed into indecorous courses, by a small modicum of debt?

I should hope that if the public creditor were to offer to give up his bond, a proud government would reject the boon—would never deign to accept it without rendering dollar for dollar. Yet it would be more dignified and becoming to do so—on bended knee, and with humble thanks upon the lip, than to withhold, forcibly, from the holders of these bonds, their honest dues. There is no process of argument, known to an honest mind, that can lead to the slightest countenance of these pernicious doctrines; the most deluded or selfish casuistry could not incline the understanding to them. He who advances them, does so knowing them to be utterly and wholly wrong; and the day of compunction will come, when the whip of asps would be more tolerable than the upbraidings of his conscience. The gross and base act of cheating his fellow-man out of what is honestly and rightfully his own, is, if possible, the least part of his offence; he has aided in corrupting the minds of others; he has lowered the tone of the public morals; he has degraded the country. The present condition of things, in regard to the public debt of Maryland, is deeply to be deplored. It constitutes a crisis in her history that can never be remembered or referred to with pleasure. It is true that no sentiment of repudiation obtains footing here. Our people are, by far, too proud and too honorable for that. The chivalry of her sons could never bend to such humiliation. But, owing to her great undertakings, and the incomplete condition of all of them, the burthen of debt contracted on their account, and which is, hereafter, to be distributed amongst them, now rests as an incubus upon the state. She, as the foster mother, has to bear the burthen, until her canals and rail roads are completed. In the meantime, the calls upon the public treasury for the annual interest are very heavy; and the resources of the state, though greatly enhanced by new assessments and new rates of taxation, have been inadequate to meet them. A temporary suspension upon the interest payments has been the result: and a much deplored and injurious depression of the public stock has followed. This is alike disheartening to the creditor and mortifying to the debtor.

But she is earnestly at work in attempts to fill the treasury; her great works are nearly approaching the mineral regions; it is now the settled policy of the country that the great fund of the public lands is to continue in a way of distribution, and Maryland will soon emerge from her difficulties with pure hands and an unsullied reputation.

Recurring to the bad effects of these breaches of the national faith, and descending from the tone of disdain which the mind naturally assumes when treating them as questions of morals, let us look at them as questions of policy, and see how they will bear examination. A government that expressly repudiates the public debt, or, what amounts to the same thing, deliberately omits to provide for it, is guilty of a great corruption. It is a corrupt government. Its faith and honor are gone. Its system of jurisprudence becomes the offspring of a corrupt legislature. Its laws are the fruit of corrupt deliberation. The property in the state, and the rights and liberties of its citizens are only protected by the venal and ever changing rules of profligate enactments. Of what value would such property be? Contracts between man and man would soon be annulled. The public debt was found an inconvenience, and it was cancelled. Private debts would be certainly much more oppressive, why not cancel them?

The ancient notion about their sacredness has, by the new lights, been ascertained to be foolish. *It would be vain to talk about the sacredness of private contracts in a land where the public engagements had been repudiated.*

In all trading communities like our own, the debtor class comprises at least two-thirds of the population. A very wide right of suffrage prevails with us, and who does not see that debtor and creditor candidates for the legislature would soon be in the field. The former would prevail, of course. And then would come the wildest sweeps of licentiousness in legislation. All debts over a certain limit would be declared void, as being oppressive and onerous upon the people; large estates would be broken up; title deeds would be cancelled, and torn from the records; agrarian laws would be passed. Is there any painting in this? Does it not all follow as a necessary consequence of the one great act of perfidy? Does it go beyond the measure of a plain and practical application of the principles that dictated that act of perfidy? In my judgment, it does not. But I turn away from a subject that must be so distressing to the mind of every patriot, and will indulge in no more previsions of the sorrow, and shame, and disgrace that must fall upon our country, should it ever be betrayed into the sin of repudiation.

Ever, very faithfully, yours, J. J. S.

MISCELLANEOUS.



BOSTON CUSTOM HOUSE.—This splendid edifice, recently erected, and of which the above engraving is a representation, is 140 feet long by 75 feet in width, with a portico on each side of it, 66 feet long by 10 feet projection from the building; the base of the building is 9 feet high, the columns 33 feet, and the entablature 10 feet, 8 inches, making the height from the top of the sidewalk to the eaves, 52 feet, 8 inches, above which the dome rises 37 feet, 4 inches, making the whole height 90 feet. The shafts of the columns are each of one piece of granite, wrought in the finest manner possible, and all the other parts of the exterior are in keeping with this. The interior is arranged in the most convenient manner for the transaction of the business of the government, and the building may be considered as entirely fire-proof; there having been no wood used in its construction.

There were three building commissioners:—Samuel S. Lewis, Marcus Morton and Robert G. Shaw. The architect is Aaron B. Young, and the clerk to the board of commissioners, J. P. Robinson.

The growing importance of the foreign business of Boston is clearly shown by late official tables. The entire receipts from customs throughout the union, for the year ending June, 1845, was \$27,528,112, of which \$1,022,992 was received at Boston, for duties on goods imported by the

Cunard line of steamers, being nearly four per cent. of the whole duties for the year.

The amount of revenue received by the government at Boston, for duties on goods imported in the English mail steamers, to the end of the year 1845, is nearly three millions of dollars, as follows:

In 1840,	\$ 2,928	In 1843,	\$. 640,572
1841,	73,809	1844,	916,198
1842,	120,974	1845,	1,022,992
Total amount paid by:—			
Acadia, 24 trips,	\$ 469,842	Cambria, 6 trips,	\$ 361,598
Britannia, 26 trips,	504,241	Columbia, 12 trips,	85,782
Caledonia, 25 trips,	473,081	Hibernia, 14 trips,	882,930

Making in all 107 trips, and paying, in total amount, the sum of \$2,777,475

THE LONDON TIMES.—The newspaper press recently enjoyed a marked triumph, in a magnificent ovation given to the *London Times*, by a large number of the merchants and other eminent persons of London.

The occasion of this unwonted proceeding was the service rendered to the public by that journal, in dragging to light a conspiracy which has rarely if ever been equalled in the annals of crime. It was concocted in 1839, and had for its object the plunder of the principal European bankers, to the extent of £1,000,000, by means of circular letters of credit, purporting to be those of Messrs. Glyn, Halifax, Mills & Co. The Times in some way became acquainted with the scheme in its inception, and set on foot, through its numerous agents and correspondents, in all the principal cities of Europe, a thorough investigation of the whole affair. Although great risk was thereby incurred, it at once spread the whole nefarious plot before the world; and continued, at an immense expense, to collect testimony upon it, which was afterwards used with complete success.

A proposition was at once made by those who had been most benefitted, to reimburse the immense expense the Times had incurred; but that journal refused to receive it. In October, 1841, at the request of Messrs. Rothschild, Barings, and others, the lord mayor convened a public meeting, at which a subscription was opened, limited in each case to ten guineas, £2,770 was immediately raised, sums being sent in from almost every commercial city in Europe and Asia. Of this, £1,800 was invested in the purchase of £2,000 three per cent. consols, of which the dividends were appropriated to the support of two scholarships, to be called "the Times Scholarships," for the benefit of pupils from Christ's Hospital, and the other the City of London School, to Oxford or Cambridge.—*N. Y. Courier*.

THE PROPER USES OF MONEY.—Isaac Franklin, late of Sumner county, Tennessee, died on the 27th of April last. He began life as a boatman, and in that capacity commenced the acquisition of a fortune, which, at the time of his death, exceeded a million of dollars. He had large estates in the parish of West Feliciana, Louisiana, independent of an immense estate in Tennessee.

His Louisiana property has been valued at near half a million of dollars. By the law of that state, a testator, who leaves one legitimate child, can only dispose of two-thirds of his property situated there away from his child; one-half if he leaves two children; and one-third, if three or a greater number.

This power of disposition Mr. Franklin exercised to the utmost, for he so

disposed of his property in that state that one-third of it should, whatever might be the number of his children at his death, go to the seminary in Sumner county. To this donation of not less than \$150,000 he added all the rest of his property wherever situated, merely charging it with the payment of a few comparatively unimportant legacies, and an annuity determinable with a single life. Here, then, is an institution of learning endowed by a single individual, with property of the value of not less than \$600,000. Moreover, the will provides that it shall be built on his plantation in Sumner county, the selected retreat of his declining years—a spot cultivated like a Paradise, and as fertile and attractive as can be found in the valley of the Mississippi. This delightful spot, upon which nature has lavished her choicest gifts, is set apart to an object worthy of its natural excellence; and it may be hoped, will be ranked among those localities in the world to which our minds recur with sentiments of reverence and awe, as devoted by man, and sanctified by heaven to advance the well being of the world.

The simple and unpretending terms in which this liberal endowment is couched are not a little striking, and, at the same time, characteristic of the man. "The revenues arising from the property," says the will, "are to be laid out in building proper and suitable edifices on my Fairvue plantation, in the county of Sumner, and state of Tennessee, for an academy or seminary, the furnishing the same with fixtures and furniture, and the employment and payment of such teachers and professors, male and female, as may be considered necessary by my said trustees, for the education, board and clothing of the children of my brothers and sisters and their descendants, as well as my own children and their descendants, in the best and most suitable and proper manner for American youth; having a particular regard to a substantial and good English education, and such other higher and ornamental branches as the aforesaid revenue, &c., will enable my said trustees to accomplish. And, if the revenues, &c., shall be sufficient therefor, I also wish that the poor children in the said county of Sumner, of unexceptionable character, and such as my trustees may select, should likewise be educated and supported during the time at the said seminary."

The main object in the nature of events, here designed by the testator, namely, a provision for the *poor children* of Sumner county, is modestly cloaked under a provision seeming to be chiefly for his own and brothers' and sisters' posterity. This noble benevolence effectually extracts the sting of poverty and orphanage in Sumner county, and makes blessed a lot usually so mournful, and so exciting to our sympathies. A life of strenuous and laborious exertion in the pursuit of wealth, and crowned with extraordinary success, is worthily ended by the devotion of its product to such a truly glorious and christian benevolence, and is forever embalmed in the memory of men, and snatched from oblivion that so soon shrouds the names of ordinary mortals.

ST. LOUIS' PUBLIC LOAN.—This city offered proposals for a loan of \$70,000, at 6 per cent. interest, redeemable at the end of thirty years, and principal and interest payable in New York. The highest bid was 86 cents on the dollar.

MARINE INSURANCE.—At a meeting of the board of underwriters, held at New York, in September, it was unanimously voted to place the rates of premium for deck loads as follows, viz.

On decks of ships, barks and brigs, from October 15, to April 1st, for the present year, but hereafter from the 1st of September—

On cotton, 3 under deck rates.

On lumber, timber, staves, molasses and other articles in barrels, casks and crates, and non-enumerated articles—5 under deck rates.

Boilers and machinery, subject to special agreements.

On board sloops and schooners on coasting voyages, one rate in addition to the above.

Naval stores, ten rates by all vessels.

Freights on deck loads *not to be insured*.

The under deck rates upon which the above is based, are those of the Tariff of June 24, 1844.

Treasury Department, Oct. 22, 1846.

TREASURY NOTES.—This department will issue treasury notes to the amount of three millions of dollars, bearing an interest of 5 2-5 per cent. per annum, payable to the order of persons or corporations making deposits therefor in specie in sums not less than one thousand dollars, with either the treasurer of the United States, assistant treasurer at Boston, New York, Charleston, or St. Louis, or treasurers of the mint at Philadelphia or New-Orleans.

The notes will bear even date with the date of deposit.

R. J. WALKER,

Secretary of the Treasury.

“The fact being known at New York a short time since, that the secretary desired a loan on treasury notes, several of the banks of that city proposed to take the loan for treasury notes bearing six per cent. interest, which was declined by the secretary. Several other propositions for loans on terms less than six, and approaching nearly to five and two-fifths per cent. were also made by individuals, and declined by the secretary. The notes now issued will be receivable for all public dues, both in the land office and custom house, as well before as after maturity, and must be regarded in the light, for many uses, of specie bearing an interest; and at the rate now proposed, we cannot doubt, that there will be a large demand for these notes.”

Washington Union.

The rate of interest is the same as was suggested by Mr. Gallatin in 1812, being 1½ cent per day on each hundred dollars. (See *Bankers' Magazine*, p. 258.)

BANK ITEMS.

CITY BANK OF CLEVELAND.—George Mygatt has been elected President of the City Bank of Cleveland, Ohio, in place of R. Sheldon, resigned.

TRADESMEN'S BANK.—William H. Falls, for several years past cashier of the Tradesmen's Bank, of New York, has been elected president of that institution, in place of the late Preserved Fish.

LEWIS COUNTY BANK OF MARTINSBURG, NEW YORK.—This institution, the suspension of which is mentioned in our July number, page 41, has resumed business; arrangements having been made conformably to law for the redemption of its notes.

LEWISTOWN BANK, OF LEWISTOWN, PENNSYLVANIA.—This bank has made arrangements for the redemption of its circulation. We understand its notes are now taken on deposit at the Bank of Pennsylvania.

FARMERS' BANK OF DELAWARE.—At a meeting of the directors of the Farmers' Bank of the state of Delaware, at Dover, September 29, 1846, James P. Wild was duly elected cashier, to fill the vacancy occasioned by the death of John Manlove.

SHAWMUT BANK.—Mr. Stephen G. Davis, late teller, was elected cashier of the Shawmut Bank of Boston, on the 8th of October, in place of Mr. Thomas Drown.

MERCHANTS' BANK.—Mr. Lowell M. Stone, late pension clerk, was elected cashier of the Merchants' Bank of Boston, on the 8th of October, in place of Charles H. Eldredge, deceased.

NEW ENGLAND BANK.—Thomas Lamb, was elected on the 21st of October, president of the New England Bank, Boston, in place of Philip Marett, who declined a re-election.

DEATHS.

John Wood, cashier of the Bank of Rome, state of New York, left the city of New York, in feeble health, for Newport, R. I., on the 18th September, in the steamer Massachusetts, since which time nothing has been heard from him. He doubtless fell overboard in crossing the sound.

Mr. Wood had been cashier of the Bank of Rome for the last ten years, and discharged its duties with integrity and ability. He was in easy circumstances, of irreproachable character, and universally esteemed as a man of sterling honesty, purity of motive, and a christian.

At Utica, on Wednesday, October 7, Henry Harvey, president of the Exchange Bank of Lockport, aged fifty-six years.

At Rome, Oneida county, New York, on the 15th of October, Henry Huntington, aged eighty years, for many years, (until 1846,) president of the Bank of Utica.

At Dedham, Mass., on Tuesday, the 6th of October, Mr. Charles H. Eldredge, cashier of the Merchants' Bank of Boston, aged thirty-six years.

There is now and then one who goes out from our crowded house of life, after whom we look when we have said farewell to him at the narrow door—so strangely unaccountable seems his departure and so hard to be reconciled to and believe. CHARLES H. ELDRIDGE, who was buried on Wednesday, October 7th, at Mount Auburn, was known to most persons in Boston, and his look will come up when he is named, as one of the most healthy, fine looking of the young men of the community, and one whose promise of life might have been picked out as the fairest and best worth caring for. He was a robust, joyous and generous looking specimen of manly beauty, and many who were not personally acquainted with him will have been shocked more than by a common death, realizing only the bold and flowering mark thus chosen by the destroyer. But, though this unkept promise of life gives additional suddenness and disappointment to the distress of those who were related to him, it is for very unusual excellence as a son, husband, brother and friend, that Eldredge is mourned, and it is for these and uncommon union of loveable lesser qualities that it seems to me his death requires something more than mere formal mention. A better man in all the relations just named was not among us, and goodness, in these first links outward from the heart, is more worthy of honorable commemoration than much that is more talked of in obituaries. A princely nature, united to all the every-day virtues, should not go unremarked in a world like this, and such a union was his. Eldredge had found time, amid his assiduous duties as cashier of the Merchants' Bank, to cultivate a fine taste in the arts, and he was a generous friend to artists, and held, himself, by no means an indifferent pencil. He was refined in

all his tastes, and the beautiful monument at Mount Auburn, which had been newly completed and graced with a *bas-relief* commemorative of a lovely daughter, shows how poetical and reflective was the character of his mind. We were not prepared to place him beside it so soon after its completion, but he has been laid in this cold though tasteful bed of his own choosing and adorning, and it will be visited and tearful tribute paid to it, as the grave of one who was the pride and idol of all connected with him.

N. P. W.

SEMI-ANNUAL DIVIDENDS.

SEPTEMBER AND OCTOBER, 1846.

		per ct.	amount.
MAINE,	Manufacturers and Traders' Bank, Portland,	4	\$ 3,000
"	Canal Bank, do.	3	12,000
"	Casco Bank, do.	3	9,000
"	Bank of Cumberland, do.	3½	3,500
"	Merchants' Bank, do.	4	6,000
MASS'TTS,	Bunker Hill Bank, Charlestown,	4	6,000
"	Hingham Bank, Hingham,	3½	3,475
"	Village Bank, Danvers,	2	2,400
"	Taunton Bank, Taunton,	4	8,000
"	Old Colony Bank, Plymouth,	4	4,000
"	Plymouth Bank, do.	3½	3,500
"	Asiatic Bank, Salem,	3	6,000
"	Commercial Bank, do.	3	6,000
"	Exchange Bank, do.	3	6,000
"	Merchants' Bank, do.	3	6,000
"	Mercantile Bank, do.	3	6,000
"	Naumkeag Bank, do.	3	15,000
"	Salem Bank, do.	2	5,000
NEW YORK,	Bank of New York, New York,	4	40,000
"	City Bank, do.	4	28,800
"	Mechanics' Bank, do.	4	57,600
"	Union Bank, do.	4	40,000
"	Fulton Bank, do.	5	30,000
"	National Bank, do.	3½	26,250
"	Am. Exchange Bank, do.	3	34,662
"	Atlantic Bank, Brooklyn,	3½	17,500
"	Mechanics and Farmers' Bank, Albany,	5	22,100
"	Albany City Bank, do.	4	20,000
NEW JERSEY,	State Bank at Camden,	3½	9,100
"	Farmers' Bank, Mount Holly,	3	3,000
MARYLAND,	Farmers and Merchants' Bank, Baltimore,	3	11,806
"	Marine Bank, do.	3	9,276
"	Commercial and Farmers' Bank, do.	3½	17,939
GEORGIA,	Bank of Brunswick, Augusta,	4	8,000
LOUISIANA,	City Bank of New Orleans,	3	56,658

☞ The dividends of the Boston Banks will be found at page 294. The Fulton Bank and Tradesmen's Bank, New York, have both made their accustomed dividends of five per cent. This has been their rate for some years past. The Manhattan Bank, has resumed its semi-annual dividends after a rest of some years. A correct list of the presidents and cashiers of the Banks of Boston, will be found in this number.

EXCHANGES AND STOCKS.

New York, October 26.

London, 60 days,.....prem.	7.50	8.00
Paris, 60 days,.....	5.33	5.32
Amsterdam,.....	39	39½
Hamburg,.....	35	35½
Bremen,.....	77½	78
Boston,.....d.	½	½
Philadelphia,.....d.	½	½
Baltimore,.....d.	½	½
Richmond,.....d.	¾	1
North Carolina,.....d.	1½	2
Charleston,.....d.	1	1½
Savannah,.....d.	1½	2
Mobile,.....d.	¾	1
New Orleans,.....d.	¾	1
Nashville,.....d.	2	2½
Louisville,.....d.	1½	2
Cincinnati,.....d.	2	3
St. Louis,.....d.	1½	2

New Orleans, October 20.

London, 60 days,....prem.	7.50	8.00
Paris, 60 days,.....	5.35	5.32
New York, 60 days,.....d.	1½	1½
Do. sight,.....	par.	
Boston, 60 days,.....d.	1½	1½
Philadelphia, 60 days,....d.	1½	1½
Baltimore, 60 days,.....d.	1½	1½
Havana, 5 days,.....d.	4	5
American Gold,.....p.	1	1½
Sovereigns,.....	4 85	4 86
Twenty Francs,.....	3 83	3 86
Spanish Doubloons,.....	16 00	16 25
Patriot Doubloons,.....	15 53	15 60

New York.

Doubloons, Spanish,.....	16 00	16 50
Doubloons, Patriot,.....	15 50	16 60
Sovereigns,.....	4 83	4 84
Louis d'or,.....	4 80	4 84
Napoleons,.....	3 82	3 83
Ducat,.....	2 20	2 25
Ten Guilder,.....	3 90	3 95
Five Thaler,.....	3 85	3 90
Frederick d'or,.....	3 85	3 90
Five Franc,.....	93	94
Spanish Dollar,.....	1 03	1 04
Mexican Dollar,.....	1 00	1 01
American Gold, old,.....	1 05	1 06
American Gold, new,.....	1 00	1 01
English Guinea,.....	5 00	5 10

½d. discount, p. premium.

Baltimore, Oct. 26.

per cent.

Maryland 6 per cents,.....	77	78
Maryland 5 per cents,.....	60	65
Maryland sterl'g 5 p. cents,	65	67
Maryland sterl'g 3 p. cents,	39	41
Baltimore 6 per cents,....	98	99
Baltimore 5 per cents,....	80	81
B. & O. R. Road 6 p. cents,	95	100
Bank of Baltimore,.....	84	86
Merchants' Bank,.....	84	86
Union Bank,.....	80	81
Farmers and Merchants',..	70	71
Commercial and Farmers',	100	101
Marine Bank,.....	80	85
Farmers & Planters',.....	87	91
Chesapeake Bank,.....	81	83
Western Bank,.....	74	80
Mechanics' Bank,.....	95	100
Franklin Bank,.....	58	60
Farmers' Bank of Md.,....	80	82

Philadelphia, October 26.

Pennsylvania 6 per cent.,..	73	75
Pennsylvania 5 " ..	68	70
Tennessee 5 " ..	100	101
Philadelphia 6 " ..	100	101
Pittsburg 6 " ..	90	91
Texas 8 " ..	15	20
Texas 10 " ..	17	22
Texas Treasury Notes,....	15	19
Bank of North America,..	100	101
Bank of Pennsylvania,....	103	104
Bank of Northern Liberties,	115	116
Bank of Penn Township,..	120	125
Commercial Bank, Pa.,...	100	105
Bank of Commerce,.....	90	95
Farmers and Mechanics'..	130	140
Girard Bank,.....	19	20
Kensington Bank,.....	112	114
Philadelphia Bank,.....	111	114
Manufacturers and Mech's,	100	101
Southwark Bank,.....	120	130
Western Bank,.....	110	112
Union Bank, Tennessee...	50	53
Exchange Bank, Pittsburg,	80	84
Merchants & M. B'k, do.	86	88
Bank of Louisville,.....	82	86
Northern Bank, Ky.,.....	92	92
Bank of Kentucky,.....	76	77
Phila. & Balto. R. Road,..	56	60
Camden & Amboy R. Road,	127	130

THE
BANKERS' MAGAZINE
AND
State Financial Register.

NOVEMBER, 1846.

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THE
BANKERS' MAGAZINE,
AND
State Financial Register,

VOL. I.

MARCH, 1847.

NO. IX.

THE PROSPECT BEFORE US.

HIGHLY important events have transpired within the last two months, and since the publication of our last No., intelligence has been received from Europe more important, in a commercial and financial aspect, than has reached this country for many years. The failure of the harvest of 1846, throughout the west of Europe, compels heavy imports of grain, while the condition of Ireland more particularly elicits the sympathies of our whole country.

England and France are now both large purchasers of foreign corn and bread stuffs, and the great source of supply is the United States. The balance of trade is becoming so much in favor of this country that large amounts of coin are coming over by every steamer and packet ship. Large exports of coin unavoidably derange the currency, unsettle trade, abate confidence, and create pressure: without effecting anything like a corresponding good on the other side. On the contrary, the sudden and extensive increase of coin will have a tendency to create expansion, induce speculation and excessive bank issues, with other evils arising from what may be termed unexpected good fortune. Nations, like individuals, are easily inflated, and the commercial people of the United States require but the slightest encouragement to bring about events similar to those of 1834—1836.

The *increase* in the value of our present exports of cotton and grain is estimated at twelve or fifteen millions of dollars. New Orleans and New York, the great seaports of our staples, exhibit a most remarkable activity in their exports; while Boston, Philadelphia, Baltimore and Charleston are pouring out immense quantities of produce.

The prominent papers of London anticipate a severe crisis both in Great Britain and France. The Bank of England has recently given its aid to the Bank of France to the amount of £800,000, and is yet prepared to meet extraordinary calls upon its bullion. We annex the official statement for January 9, 1847.

BANK OF ENGLAND.

Issue Department.

Notes issued.....	£27,552,100	Government debt.....	£11,015,100
		Other securities.....	2,984,900
		Gold coin and bullion.....	11,482,442
		Silver bullion.....	2,069,658
	£27,552,100		£27,552,100

Banking Department.

Proprietors' capital.....	£14,553,000	Government securities.....	£12,757,326
Rest.....	3,520,048	Other securities.....	14,464,948
Public deposits.....	5,860,631	Notes.....	6,715,255
Other deposits.....	9,784,767	Gold and silver coin.....	755,922
Seven day and other bills.....	975,005		
	£34,693,451		£34,693,451

There has been a gradual increase of coin in the vaults of the Bank of England since October, 1839, the period at which the *reputed* loan was made to it by the Bank of France, (see page 540.) There has not, however, been a corresponding increase of circulation, as will appear from the following table which our readers will find more in detail at page 233. (October copy.)

Bank of England.	Coin on hand.	Circulation.	Rate of Interest.
1839 January,	9½ millions	18½ millions	3½ per cent
May,	6 "	18½ "	4½ "
August,	3½ "	17½ "	6 "
October,	2½ "	17½ "	6½ "
1840 January,	3½ "	16½ "	5½ "
1841 January,	4½ "	16½ "	5 "
1842 January,	5½ "	16½ "	4½ "
1843 January,	10½ "	19½ "	2 "
April,	11 "	20½ "	1½ "
1844 January,	13 "	19 "	2 "
1845 January,	14½ "	20 "	*2 "
June,	16½ "	21½ "	2½ "
December,	13½ "	20½ "	4½ "

The advance in the price of the necessaries of life in London in the last six months of the year, will be fully illustrated by the annexed comparative statement:—

	Price 1st June, 1846.	10th Jan. '47.
Wheat, per quarter,	s. 42 a 42 6	s. 76 a 78
Rice, per cwt.	24 a 30	34 a 40
American Flour, per barrel,	25 a 26	42
Indian Corn, per quarter,	32 a 37	70
Barley, do.	28 a 30	61

This is an alarming comparison; and while these articles of food were thus rising, the price of Cotton, the great staple of manufacture, was also rising almost in like degree: the price of Upland Cotton on 1st June, '46, was 5d.; on 10th Jan. '47, 7½d.

* It was this condition of affairs which mainly contributed to the rail road speculations of 1845-'6.

FLOUR.—The following table gives the receipts at and exports of Flour from the four principal shipping ports for the year ending December 31 :

	Receipts.		Exported abroad.	
	1845.	1846.	1845.	1846.
New Orleans,	599,836	1,020,816	79,266	372,112
Baltimore,	563,632	794,105	238,900	516,504
Philadelphia,	475,449	753,252	201,956	364,812
New York,	1,963,150	1,548,394	469,520	1,193,428
Barrels,	3,602,076	5,116,167	986,642	2,446,666

The following is a condensed summary of the English Money market :—

LONDON, Jan. 19—Evening.—Consols have been rather depressed in consequence of the anticipated demand for bullion. It is supposed that £2,000,000 or £2,500,000 in specie will have to be sent to the United States in payment of the large supply of bread stuffs now arriving. Under these circumstances the Bank of England has raised the rate of interest on bills discounted to $3\frac{1}{2}$ per cent., a step immediately followed by the houses in Lombard street, so that the present rate is now $3\frac{1}{2}$ to 4 per cent. for the best class bills. The usual settlements in the Stock markets have taken place this week, and passed over without any mishap, although the differences in some cases were very large. Consols have declined $1\frac{1}{4}$ to $1\frac{1}{2}$ per cent. or more than we remember for a long time past, and the market is very weak. This is in a great measure owing to the issue of the Bank notice on the 14th instant, the first effect of which is always very depressing; and to which the drain upon the French money market and the continued fall in the Rentes has brought about almost a panic in Paris, and has given to our market, yesterday and to-day, a most gloomy appearance; under which influence Consols, which were at $92\frac{1}{2}$ previous to the 14th, went down to $91\frac{1}{8}$, the last quotation being $91\frac{1}{8}$ to 92 for money, and $92\frac{1}{8}$ to $92\frac{1}{4}$ for the account. Bank stock left off at $205\frac{1}{2}$; reduced 3 per cents., $92\frac{1}{4}$ to $\frac{3}{4}$; $3\frac{1}{4}$ per cents. $93\frac{1}{8}$ to 94; Long Annuities $9\frac{3}{4}$; India Stock 252; and Exchequer Bills 5s. to 8s premium.

There had been rather more business doing in the foreign stocks until the bank notice appeared, since which the market has been heavy with little doing.

The same writer estimates the increased expenditure that would be occasioned by the rise in wheat, rice, corn, and flour, at *ten millions sterling*; and adding sugar, the increased imports for Ireland; the demands for continental railways; the deficiency in the Indian revenue; together with the Mexican war which threatens to interfere with the ordinary supply of silver; the aggregate excess will not be less than £17,000,000. The necessity for a full currency at home is also beyond all precedent. The storm will soon be felt by those engaged in railway speculations.

About \$1,500,000 was received by the *Hibernia*; \$600,000 by the steamship *Sarah Sands*, \$200,000 by the new packet ship *New World*; and the *Cambria*, it is supposed, has about \$2,000,000. The London Times of the 18th January, says:

“The insurance of gold at Lloyd’s for export to America, continues on a considerable scale. A good deal of business was done to-day in the underwriters’ room at 1 per cent. for the next Halifax steamer, and at 12s. 6d. and 15s. per cent. for the sailing packets.”

Proposals have been invited by the Treasury Department for a new loan to the government, in the sum of eighteen millions of dollars: as will appear by the annexed notice. Within the last month treasury notes have

advanced to $1\frac{1}{2}$ a 2 premium, and there was a few days since a balance of specie in the sub-treasury at New York amounting to two millions...

These proposals from the treasury, accompanied by cotemporary movements in Congress for a tax upon tea and coffee, and increased duties upon other articles, have tended to enhance the price of government securities.

Treasury Department, Feb. 9, 1847.

Sealed proposals will be received until the tenth day of April next, inclusive, for a loan of *eighteen millions of dollars*, under the act of 28th January last, authorizing the issue of treasury notes, &c., on treasury notes to be issued under said act, payable two years after the date of said notes, with interest, at the rate of six per cent, per annum, payable semi-annually. The bids in all cases, must be unconditional, and without any reference to the supposed bids of others, or they may not be considered. The bids should state distinctly, in all cases, the premium offered. No bid will be received below par. To give an opportunity to all persons to participate in the investment of funds in these notes—which on account of the privilege of funding, may hereafter be materially enhanced in value—bids will be received for the lowest denomination of notes authorized by the law, as well as for higher sums.

The department reserves the right of fixing the periods when the money must be paid, so as not to be required to anticipate the wants of the government, or allow any interest until the money is actually paid. The money payable on the loan can be deposited with the treasurer of the United States, treasurer of the mint at Philadelphia, or of the branch mint at New Orleans, or with any of the assistant treasurers at Boston, New York, Charleston, or St. Louis.

R. J. WALKER,
Secretary of the Treasury.

Sales of United States loan of 1856, at New York, on the 20th February at 101.

Another indication of the stricture in the English money market is given in the increased rate of interest by the Bank of England on the 21st of January to four per cent. This never failing barometer thus points most clearly to the increasing scarcity of money in Great Britain.

There is no change in the money market at New York since our last No. The bank statements of that state, condensed at page 518, show that the aggregates of loans and other items have undergone little or no change within a few months past.

At New Orleans, the rates of foreign exchange continue to decline. Sterling bills (on 13th Feb.,) ranged from 4 to 5 premium, with but few transactions at the latter rate. Bills on New York, 60 days, 2 a 2 $\frac{1}{2}$ discount.

BANK FAILURES.

The legislature of New Jersey adopted a summary process in February, against the Plainfield Bank. An injunction was issued against the bank, and receivers appointed to take charge of the institution forthwith.

The accounts as given by the officers to the committee are about as follows:

Specie	\$ 9,000	Circulation	\$ 115,000
Specie funds	6,500	Capital stock	100,000
Notes receivable	85,000	Depositors and interest accts. about	2,000
Other assets	100,000		
	<hr/>		<hr/>
	200,500		217,000
			<hr/>
			200,500
			<hr/>
		Excess of liabilities	\$ 16,500

The circulation has been hitherto almost entirely in the city of New York, having been issued at the office of the "Sun," the proprietor of which is the reputed owner of the Plainfield Bank. The following editorial notice appeared in that paper upon the subject:

If the funds thus unconstitutionally taken possession of and now in the hands of the receivers, were transferred to the bank, its officers, we are assured, would pledge themselves to redeem every dollar of its notes in circulation, and prevent all loss to any parties whatever, giving abundant security to that effect.

If the legislature refuse this offer and continue to hold in their hands all the means of the bank, on them must rest the responsibility of all the consequences, if the bills should not be fully redeemed. We know of no possible loss which can occur to the community, unless the means of the bank thus improperly seized, are as improperly squandered by the receivers.

Meantime, the redemption of the notes having been suspended by the receivers, the latter are calling in the assets of the bank at Plainfield, and will soon commence taking up the notes in circulation. This naturally causes delay in the redemption of the notes, but if properly managed by the receivers, every dollar in circulation will be redeemed in specie.

Simultaneously with this movement against the Plainfield Bank, a movement was made in the Pennsylvania legislature against the charter of the "Lehigh Bank," another corporation also owned and controlled in New York city.

BANK STATISTICS. PENNSYLVANIA.

Abstract of the condition of thirty-four country banks, fourteen Philadelphia banks and three savings institutions, November, 1845, and 1846.

<i>Liabilities.</i>	November, 1845.	November, 1846.
Capital stock	\$ 16,154,600	\$ 20,994,724
Circulation	10,107,188	10,681,465
Due to other banks	3,307,130	3,426,662
Due depositors	13,748,242	13,171,560
Contingent fund	1,887,640	2,528,533
Discount and exchange	563,416	304,060
Profit and loss	304,987	674,566
Deposits of the state	56,435	190,746
Relief notes (special circulation)	416,030	548,626
Public deposits U. S.	665,150	100,958
Miscellaneous Items	2,481,160	200,918
Suspense account	12,213	23,714
Dividends unpaid	229,950	414,158
	<hr/>	<hr/>
Total Liabilities	\$ 49,934,140	\$ 53,260,711

<i>Resources.</i>	November, 1845.	November, 1846.
Bills discounted.....	27,102,507	28,186,285
Specie and treasury notes.....	5,802,230	5,796,192
Balances due by other banks.....	2,676,338	2,826,886
Notes and checks of other banks.....	2,126,504	2,316,312
Real and personal property.....	1,469,998	1,765,266
Bonds, mortgages, &c.....	1,208,972	1,302,912
Stocks, &c.....	2,368,078	2,422,475
Exchange and interest.....	710,238	585,842
Expense account.....	65,503	33,775
Post notes.....	3,200,054	928,897
Loans.....	2,234,388	2,182,943
Miscellaneous.....	833,842	4,795,986
Suspense account.....	135,488	116,940
Total Resources.....	\$ 49,934,140	\$ 53,260,711

✂ The apparent increase in the bank capital since November, 1845, is caused by including in the late report the capital of the Girard Bank, five millions. This institution was not included in the report for 1845, but has recommenced operations within the last eight months.

NEW YORK.

ABSTRACT OF THE CONDITION OF THE BANKS OF THE STATE OF NEW YORK.

This exhibit shows the banks to be strong and in a good condition. Notwithstanding the withdrawal of three millions of deposits by the treasurer of the U. S., since May, 1846, the specie of the banks has been increased one million.

The aggregates for 1847 include all in the state, except those of the Bank of Corning, Champlain Bank at Ellenburg, Farmers' Bank of Hudson, Genesee County Bank, and Merchants and Farmers' Bank of Ithaca. These last do not appear to have made their returns for the present quarter.

The business of the city and country banks may be seen by the following comparative statement :

	City Banks.	Country Banks.	Total.
Capital,	\$ 23,791,760	\$ 18,943,577	\$ 42,735,337
Due depositors,	25,500,000	8,500,000	34,000,000
Circulation,	6,100,000	14,900,000	21,000,000
Aggregate liabilities, .	66,000,000	52,000,000	118,000,000
Loans,	46,000,000	38,000,000	84,000,000
Specie,	8,200,000	1,000,000	9,200,000

For a particular account of the comparative condition of the twenty-four banks of New York city, our readers are referred to page 448 of this work.

The specie held by the city banks always exceeds their circulation, and is heavy in proportion to that held by banks elsewhere, because the former act not only for the redemption of a large country circulation, but hold eight millions of deposits, belonging to the interior banks, and to banks of other states. It is thus seen that the country banks, with specie in their vaults amounting to only one million, maintain a circulation of fifteen millions of dollars.

State Finances.

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<i>Liabilities.</i>	November 1, 1845.	May 1, 1846.	February 1, 1847.
Capital.....	\$ 42,845,428	\$ 42,829,014	\$ 42,735,337
Profits undivided.....	5,018,043	5,115,450	5,333,757
Circulation (old).....	881,404	824,506	766,277
Do. registered by comptroller....	20,493,965	19,991,986	20,202,488
Due treasurer of the state.....	631,063	291,964	371,833
Due canal fund.....	1,581,330	354,364	911,680
Due depositors on demand.....	31,773,991	31,720,750	31,830,595
Special deposits.....	759,259		607,029
Bank balances.....	12,829,854	11,823,784	15,097,808
Due treasurer U. S.....	3,002,649	3,493,622	342,766
Miscellaneous.....	585,011	549,553	556,765
Total Liabilities.....	120,401,997	\$ 116,994,993	\$ 118,756,335
<i>Resources.</i>			
Loans and discounts.....	\$ 69,164,861	\$ 66,807,739	\$ 64,240,213
Loans and discounts to directors.....	4,157,716	4,876,216	4,672,973
Loans and discounts to brokers.....	1,457,858	907,476	893,172
Real estate.....	3,645,684	3,515,963	3,590,319
Bonds and mortgages.....	3,181,746	3,033,610	3,628,246
Stocks and promissory notes.....	10,962,822	10,989,417	10,222,687
Due from directors other than loans....	33,298	37,403	49,528
Due from brokers other than loans....	363,278	417,200	546,993
Bank fund.....	236,268	172,944	172,540
Loss and expense account.....	425,584	383,821	277,336
Overdrafts.....	133,242	134,722	109,623
Specie.....	8,884,545	8,171,624	9,191,254
Cash items.....	5,947,585	5,839,700	7,552,068
Notes of solvent banks.....	2,258,862	2,851,351	2,602,749
Notes of suspended banks.....	14,482	5,162	3,717
Bank balances.....	9,533,605	8,850,645	11,102,397
Add for cents.....	561		570
Total Resources.....	\$ 120,401,997	\$ 116,994,993	\$ 118,756,335

STATE FINANCES.

MASSACHUSETTS.

Receipts and expenditures by the commonwealth of Massachusetts, for the years 1845 and 1846.

<i>Receipts.</i>	1845.	1846.
Auction tax.....	\$ 49,295	\$ 52,584
Bank tax (one per cent. on bank capital).....	304,720	312,000
State tax for 1845.....	8,394	66,606
Do. for 1844, balance.....	62,324	
Hawkers and Pedlars' licenses, for half year.....		4,263
Attorney for Suffolk county.....	9,448	2,036
Alien passengers.....	6,920	11,526
Dividend on Western rail road.....	60,000	50,000
Sales of lands in Maine.....	2,567	848
Total ordinary receipts, 1845 and 1846.....	\$ 505,548	\$ 502,025

Cash on hand January 1, 1845 and 1846.....	10,677	5,032
Sales of Western rail road scrip.....		2,066
Temporary loans.....	206,800	54,000
Massachusetts school fund, &c. for the year.....	268,046	193,649
Do. cash on hand January 1, previous.....	171,413	94,683
Total receipts from all sources.....	\$ 1,162,484	\$ 852,055
<i>Expenditures.</i>	1845.	1846.
Paupers, lunatics, &c.....	\$ 76,831	\$ 80,617
Legislature, session 100 days.....	58,753	66,744
Salaries, Governor.....	\$ 2,500	
“ Secretary of state.....	1,465	
“ Treasurer do.....	1,600	
“ Four judges supreme court.....	12,500	
“ Six judges, common pleas.....	9,572	
“ Attorney for Suffolk county.....	1,750	
“ Fourteen judges of probate.....	5,718	
“ Fourteen registers of probate....	9,250	
“ Adjutant and quartermaster Gen.	1,500	
“ Land agent.....	1,000	
“ Secretary board of education....	1,500	
“ Superintendent lunatic hospital..	1,500	
“ Physician and steward do.....	1,400	
“ Clerks in treasurer's office, &c...	6,690	
“ Sergeant-at-arms.....	1,000	
“ Miscellaneous.....	5,520	64,766
State printing, maps and library.....	9,569	13,708
County treasurers' accounts.....	51,203	40,536
Repairs of, and fuel for state house.....	8,635	8,178
Three commissioners for codification of criminal law	2,500	4,000
D. Webster and Rufus Choate, counsel.....	1,000	2,600
Interest.....	59,336	54,643
Counsellors of state.....	3,055	2,984
Adjutant and quartermaster general department...	3,280	2,000
State prison.....	4,611	
State term reports.....	1,925	962
State pensioners.....	1,363	1,292
Nine agricultural societies.....	5,965	3,440
Asylums for deaf, dumb, blind and lunatics.....	12,987	15,356
Eye and ear infirmary.....	2,000	2,000
Militia bounty.....	28,757	28,756
Normal schools, &c.....	7,965	5,165
Miscellaneous.....	11,941	18,149
Total ordinary expenditures.....	416,443	421,125
Five per cent. stock, &c. redeemed.....	46,550	43,140
Temporary loans repaid.....	255,000	90,800
Massachusetts public schools.....	344,776	249,501
Cash on hand.....	5,032	8,658
School fund on hand.....	94,683	38,830

Total expenditures for years 1845 and 1846, \$ 1,162,484 \$ 852,055

For particulars of the revenues, expenditures, &c. of the commonwealth of Massachusetts, for each year since 1800, the reader is referred to page 386 of this work.

THE DEFAULTING STATES OF AMERICA.

From the London Times.

SIR—I saw a letter in *The Times*, on the 6th of December, from “A suffering holder of Florida bonds,” who, in stating the hardships of his own case, spoke also of the debts of other states of the American Union. Among them he mentioned Mississippi and Pennsylvania, as having made efforts to restore their credit. Being a severe sufferer by the bad conduct of Mississippi, I was led to hope that something had at length been done by that state, but am sorry to learn, on inquiry, that your correspondent is mistaken.

Pennsylvania has resumed payment of the interest on her debt, and the holders of her stock have received their dividends regularly since February, 1845, but the stain of disgraceful repudiation rests as black as ever upon Mississippi.

I find there is much dispute as to the degree of discredit attaching to the United States generally, from the non-payment of debts by many of the states. Some American gentlemen with whom I have spoken in my recent inquiries, complain loudly of the sweeping condemnation of all for the fault of a few, which appears sometimes in the English papers, and they say that they are unjustly maligned. It certainly appears that there is not in this country, generally, an accurate knowledge of all the facts, and there are really instances in which good faith has been observed under circumstances of considerable difficulty, as in Ohio. It is, therefore, unjust to condemn them all indiscriminately. But, on the other hand, the cases of several are so bad that it is impossible for the good states not to have their credit in some degree injured by the evil conduct of others with which they are so closely associated. Further, it may be asked if the better portion of the nation has made sufficient exertion to induce the others to make efforts to do what they really could to remove the stain which necessarily attaches, in some degree, to all their acts.

To put this matter in a clearer light, I will state the circumstances of the different states, in regard to their debts.

Of the twenty-seven states, which now compose the Union, the following nine have no public debt;—Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Delaware, New Jersey, North Carolina, and Missouri, (at least, none in England.)

The following nine states have regularly paid their interest without interruption: Massachusetts, New York, Ohio, Virginia, South Carolina, Georgia, Kentucky, Tennessee, and Alabama.

Pennsylvania suspended payment in August, 1842, and resumed in February, 1845.

The following eight have failed to pay their debts, and are still in default:—Mississippi failed to pay in May, 1841, Indiana, July, 1841, Illinois, January, 1842, Florida, January, 1842, Michigan, January, 1842, Maryland, January, 1842, Louisiana, (on part of her debt,) Dec. 1842, Arkansas, 1841.

The following is an outline of what has occurred in each state, with respect to the debt:—

Pennsylvania never repudiated her debt, or denied her obligation to pay it in full. She fell into difficulty and discredit from great mismanagement, and for two years and a half was unable to pay the interest to her creditors, but she always gave certificates of debt for the dividends as they became due. By great carelessness and lavish expenditure in the construction of her public works, (canals and railroads,) for which she contracted the debt, and further by borrowing money to pay the interest upon it, she found herself,

in 1842, involved in a debt of about \$ 40,000,000, without revenue to meet the annual claim. A property tax had been put on in 1841 but was at first quite ineffective. Since then she has made real efforts to pay but found great difficulty for a considerable time in collecting the taxes, especially among the farming population of the state. Each succeeding year has improved the collection, and in February, 1845, she resumed payment of dividends, which has since continued. Still there is a small deficiency in the full payment, chiefly arising from a large proportion of the taxes being paid in the state paper, which is at discount of about $2\frac{1}{2}$ per cent. What she has done has proved that she is earnestly endeavoring to pay, and each successive year shows an improvement in her position, such as to give a rational ground for believing that she will fully restore her credit in a short time.

Maryland failed to pay in January, 1842, but she had then put on a property-tax and other taxes. Her debt was contracted chiefly for making a large canal. The regular collection of the property-tax was, as in Pennsylvania, but slowly made efficient. It has improved in each year, but by allowing the taxes to be paid in coupons of interest due, which many of the bondholders were glad to sell at a large discount, very little money has come into the treasury, though much of the arrear of interest has been absorbed. Out of the money which has come in, she has, during the last year, paid the outstanding portion of the dividends due in 1842, and January, 1843. She will soon pay that of July, 1843. By the progress of gradual improvement the revenue is now reported to be in a condition to meet the annual claim, and she is expected to resume regular payment of the interest in July, 1847, and fund the remaining outstanding arrears.

Illinois failed to pay in January, 1842. She contracted her debts for canals and railroads, none of which are finished, and most of them were very injudicious undertakings. A number of her creditors agreed, in 1845, to lend her additional money to complete the large canal from Lake Michigan to the Illinois river, on which \$ 5,000,000 had already been expended, and which is certainly a work of great importance. She has now commenced taxation to pay a part of the interest, and if she perseveres in her efforts, will, before long, greatly improve her condition. At present the taxes realize but a small amount, but it is something to have made a beginning.

Indiana failed in July, 1841. She is in difficulty from undertaking works far beyond her means, and she was defrauded by parties she employed to negotiate her loans to the extent of \$ 3,000,000, chiefly by the Morris canal company: She is now making arrangements with her creditors, and proposes a tax to pay the interest on half of the debt. The measures for this purpose are now under consideration.

Michigan failed in January, 1842. She contracted a debt to the extent of \$ 5,000,000, and after receiving payment for rather more than \$ 1,000,000, she sold the remainder of the bonds authorized by acts of her legislature to the United States Bank and Morris Canal Company upon credit. The bonds were, by agreement, delivered to those companies, with power to sell them; but the state was to be paid by instalments of fixed amounts every three months. Those companies both failed when they had paid rather more than half the amount; but long before their failure they had borrowed money upon the whole of them in Europe. The lenders knew nothing of the terms upon which the bonds had been obtained, or that they had not been fully paid for, and they advanced money to the extent of 88 per cent. upon them. It is clear that those companies had a full right thus to dispose of them; but Michigan now asserts that she is not bound to acknowledge more than she has received money for, and has also set up the most extraordinary pretence, that she has a right to deduct from what she has received 25 per cent.

upon the sum remaining due from the companies, and to deduct this amount (about \$ 550,000) from the claims of the bondholders. Setting aside all the considerations of the engagements which her bonds contain, she passed an act to offer new bonds for the reduced amount paid in this arbitrary and extraordinary manner, and last year passed a further act to sell the state railroad, and to receive in payment the bonds, with their arrears of interest, at 40 per cent. Such an attempt to violate her faith, pledged under the seal of the state, cannot succeed.

Mississippi failed in May, 1841. This state has the distinction of having first set the example of repudiation; and a case of more flagrant dishonesty has never existed. The debt of the state is \$7,000,000. Of this \$ 2,000,000 is for the state's subscription, for her portion of the capital of the Planters' Bank. After an attempt on the part of a few to deny this debt, it has been acknowledged, but not the smallest attempt has been made to pay any portion of it. The other \$ 5,000,000 of the debt were contracted for the state's portion of the capital of the Union Bank. The pretences upon which the repudiation of these bonds has been carried are without the slightest foundation in any principles of law or justice. Mississippi acknowledges to have received the money through the agents appointed by herself, but pretends that some formalities of the law were not observed in issuing them, and this, after the bonds had been more than two years in circulation, and acknowledged by herself. The only circumstance of a better nature in this state is, that there are some of her citizens who have always put themselves forward to urge the payment of the debt, and who have exposed the unprincipled conduct of the repudiators. They are unfortunately the minority.

Louisiana—the greater part of the debt of this state was contracted for the establishment of banks. The state took mortgages upon the estates of planters, who proposed to unite to form banks, and granted them charters, issuing to them bonds of the state to the amount of the mortgages which it held as security. The planters each received on loan half the amount of their mortgages, and the other half of the produce of the bonds formed the working capital of the banks. Two of these banks failed in December, 1842, namely, the Citizens' Bank, for which \$7,000,000 were issued, and the Consolidated Association of Planters, for which the bonds amounted to \$ 2,400,000. All these bonds have the direct and absolute pledges of the state of Louisiana for payment. The bondholder's claim is in no way conditional upon the solvency of the banks. The state is distinctly bound to the bondholder, and it holds the mortgage as its own counter security. But Louisiana has utterly neglected to redeem its faith, and has made no effort whatever to pay the smallest portion of the direct and clear claim of the bondholders. All it has done is to pass a law enabling the debtors to the bank to take advantage of the discredit which the bad faith of Louisiana has cast upon the bonds. The suspension of payment of interest has depreciated the bonds. Many of the holders have been obliged, by distress, to sell them for what they could get, and thus the debtors, by buying them at reduced rates, have been enabled to make large profits in delivering them at their full nominal rate of both principal and interest due in discharge of their debts.

Florida has set up the same pretences as Mississippi for repudiating her debt. Her case is altogether without excuse or mitigation in her course of dishonesty.

The result of this statement is, that of twenty-seven states of the American republic, eight are still delinquent. If then, on the one hand, it is not true that all are to be condemned, since the greater number have kept their

faith, is it not true, on the other hand, that this large proportion of their number (about one in three of the whole, and just half of those which have contracted debts) is sufficient to justify the general discredit which attaches to all American securities, and to show that there is not that strong feeling against wrong which we may justly demand of a nation which pretends to take a high ground in character? What attempt has there been made by the better states to give an expression of public opinion to influence the others to pursue a better course? Of all that have failed, Maryland alone can show that she has made real endeavors to recover her station. The ill disposed portion of that state has retarded till now the accomplishment of this object; and though the credit is the greater for her good citizens who have persevered in their exertions, the delay inflicts too severe a suffering for her to escape censure, and she is still classed among the wrong doers. In every one of the other delinquent states the evil is without mitigation. Not one of them but could before this have done something, if not all that was wanting; but they have done nothing; while in such cases as Mississippi, Florida and Michigan, the facts show a glaring want of honesty.

It must in truth also be stated, that evil has been exhibited on a great scale by corporations which are not included in the above list of state delinquencies. The United States Bank, the Morris Canal and Banking Company, the North American Trust and Banking Company, and many others were conducted upon a large scale, and by persons who occupied a prominent position in American society. Their history shows how many persons, entirely wanting in right principles, were able to get into situations of great trust and responsibility. The losses of individuals in this country, who were recommended to trust them, amount to several millions sterling, and they have spread ruin far and wide. Can it, then, be otherwise than that the American name and character must suffer from this cause alone? With these cases, and with the large number of the states themselves in default, how is it possible that the general name of America should escape discredit?

There is, moreover, one circumstance which has been frequently mentioned as a proof that the American nation is not alive to the necessity of keeping up its credit or maintaining a high respect for its character. Florida has behaved, in regard to her debt, as ill as Mississippi, and yet, with this fact notorious, she was admitted as a state into the Union, in 1845, without an observation on the subject. With this moral taint upon her character, she was admitted to rank with the rest, among whom are some which, as far as their own conduct has gone, have always shown a true sense of right and wrong. I am not aware that any defence has been attempted for this act, but fear that it has been a matter of indifference to the whole republic.

BANK STATISTICS. NEW YORK.

From the Report of the Comptroller.

The whole number of associations and individual bankers that have deposited securities with the comptroller, and received circulating notes therefor, under the act to authorize the business of banking, passed April 18, 1838, is one hundred and seventeen. Thirteen of the number have been closed by their own stockholders, and their circulating notes redeemed at par, and returned to the banking department, except the sum of \$ 4,001, for the redemption of which funds are in the hands of the comptroller.

Thirty of the 117 banks before referred to, have been closed by the comptroller. The aggregate circulation of the 30 banks at the time of failure was, \$ 1,239,345
 Amount redeemed by the comptroller, 1,213,434

Balance, \$ 25,911
 Deduct amount of circulating notes unredeemed of Washington
 Bank, New York, 703

Leaving the outstanding circulation, and for which funds are on deposit to redeem, \$ 25,208

There are seventy-four associations and individual bankers now in operation, whose aggregate circulation on the 31st December, 1846, was \$ 7,034,898.

The securities of the above banks in the hands of the comptroller consist of

N. Y. St. 4½ per ct.	\$ 227,976 56	Cash deposited,	\$ 38,039 07
" 5 "	2,543,140 94	Bonds & Mortgages,	1,552,265 40
" 5½ "	485,000 00		
" 6 "	601,592 00	Total	1,590,304 47
" 7 "	615,136 00	Circulation on above,	7,034,898 00
Total N. Y. Stock.....	4,472,845 50	Increase N. Y. state stocks,	667,383 41
United S. 5 per ct.	55,000 00	" Illinois, "	130,666 67
" 6 "	50,000 00	" Cash on deposits,	15,602 97
		Total	\$ 813,653 05
Total U. S. Stock.....	105,000 00	Decrease Indiana state stks.,	154,000 00
Indiana, 5 per ct.	4,000 00	" Michigan, "	13,260 00
Alabama, 5 "	34,000 00	" Bonds & Mortgages,	103,323 58
Arkansas, 5 "	499,000 00	Total.....	\$ 270,583 58
Illinois, 6 "	643,666 67		
Michigan, 697 "	478,033 60		
Total Miscellaneous.....	\$ 1,667,700 27		

One association and three individual bankers have commenced business during the year, viz.

Chester Bank, Orange Co. ; Champlain Bank, Ellenburgh, Clinton Co. ; Cuyler's Bank, Palmyra, Wayne Co. ; Franklin Co. Bank, Malone.

The Wool Growers' Bank has been closed by its owner, an amount equal to the outstanding circulation deposited to the credit of the comptroller, in the Mechanics' Banking Association, New York.

The Farmers and Drovers' Bank, Erie Co., has been closed by the comptroller, the securities held in trust sold, and the notes are redeemed at par.

The Howard Trust and Banking Co. Troy, has closed business agreeably to the provision of the 8th and 9th sections of the act, to amend the general banking law, passed May 26, 1841, and the sum of \$ 111, being the balance of money deposited with the comptroller to redeem the outstanding circulation of said bank, has been returned.

The Washington Bank, New York, has been finally closed agreeably to chapter 259, laws of the state of New York, entitled an "act for the relief of John E. Foley," passed May 13, 1845. And the balance of monies remaining in the hands of the comptroller July 1, 1846, being \$ 955 60 has been paid to him.

In a report made to the convention, (Doc. 34,) it is shown that 29 banks which have been closed by the comptroller, had deposited securities to the amount of \$ 1,555,338 00
 These produced on sale 953,371 75

Showing a loss on the securities of \$ 601,966 25

The circulation of these banks at the time of their failure, was \$ 1,233,374. On these notes the payments were equal to an average of 76 per cent.; the total loss to bill holders being \$ 292,344 36, while the banks have lost \$ 601,966 25, being the difference between the amount of securities deposited, and the sum for which they were sold, the bill holders having lost only \$ 292,344 36 or a fraction less than 24 per cent.

The Farmers and Drivers' Bank of Erie Co., is not embraced in the above statement; but this bank had only about \$ 6000 in circulation, secured by New York stock, which redeemed all the notes at par.

The following statement shows the capital and the sums contributed to the safety fund by the eleven banks which have failed; also the sums drawn from the safety fund to pay the debts of eight of these banks, viz.

	Capital.	Contribution to fund.	Drawn from fund.
City Bank of Buffalo,.....	\$ 400,000	\$ 4,333 33	\$ 301,449 50
Bank of Buffalo,.....	200,000	6,000 00	584,540 22
Com. Bank of Buffalo,.....	400,000	12,000 00	610,641 87
Com. Bank of New York,.....	500,000	15,000 00	285,937 23
Com. Bank of Oswego,.....	250,000	5,308 21	241,126 63
Clinton Co. Bank,.....	200,000	4,263 00	267,591 42
Watervliet Bank,.....	250,000	5,416 66	134,363 00
Wayne Co. Bank,.....	100,000	3,000 00	113,133 00
Bank of Lyons,.....	200,000	5,208 22	91,669 08
Lafayette Bank,.....	500,000	17,500 00	pays its debts.
Bank of Oswego,.....	150,000	8,250 00	" "
Total,.....	\$ 3 150,000	\$ 86,279 42	\$ 2,630,451 95

The nine banks first named in the foregoing list, with an aggregate capital of \$ 2,550,000, have by the mismanagement and profligacy of their directors and officers, made the safety fund responsible to the amount of \$ 2,569,922,53, beyond the contribution to that fund by the same banks. There is a loss of capital by the failure of eleven banks, of \$ 3,150,000; add to this the loss of the safety fund beyond the contributions, \$ 2,544,172 53, and it makes a total loss of \$ 5,694,172 53. Nearly a million and a half of the loss to the safety fund was caused by the failure of three banks in Buffalo.

KENTUCKY.

NORTHERN BANK OF KENTUCKY AND FOUR BRANCHES.

Liabilities.

	December, 1844.	December, 1845.	Dec. 31, 1846.
Capital stock	\$ 2,237,400	\$ 2,237,600	\$ 2,238,900
Profit and loss	217,958	267,058	287,15-
Unclaimed dividends	6,455	6,491	7,748
Deferred interest		7,754	7,613
Circulation	1,935,448	2,453,532	2,336,513
Due to banks	677,637	669,327	903,480
Bills payable		18,450	6,150
Deposits	731,674	674,503	605,320
	\$ 5,806,572	\$ 6,334,715	\$ 6,392,882

Bank Statistics.

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<i>Resources.</i>	1844.	1845.	1846.
Bills discounted	1,819,614	1,849,698	1,845,272
Bills of exchange	1,370,651	2,007,287	1,927,466
Suspended debt	146,500	123,268	122,005
Bonds of Kentucky	5,000	5,000	5,000
Bonds of Lexington city	35,000	35,000	33,000
Due from banks	1,004,673	928,281	1,061,265
Due by state of Kentucky	26,744	8,750	8,750
Protest account	49	43	83
Real estate	164,987	179,865	135,340
Gold and silver	884,556	909,704	931,806
Notes of other banks	348,798	287,819	322,895
	<hr/>	<hr/>	<hr/>
	\$ 5,806,572	\$ 6,334,715	\$ 6,392,882

BANK OF KENTUCKY AND SEVEN BRANCHES.

<i>Liabilities.</i>	January, 1846.	January 5, 1847
Capital stock, original.....	\$ 3,700,000	\$ 3,700,000
Over issue by Schuylkill bank	\$ 1,388,500	
Less amount purchased by this bank	910,200	470,300
Contingent fund reserved by charter.....	100,000	100,000
Fund to cover losses.....	89,262	92,471
Dividends unclaimed.....	7,818	7,108
Stock fund (to purchase over issue).....	55,137	85,708
Dividends, January, 1846 and 1847, 2½ per cent.....	104,256	100,957
Individual deposits.....	733,166	602,100
Bank balances.....	393,814	463,163
Circulation.....	2,586,672	2,434,659
Due treasurer of state of Kentucky.....	53,181	46,882
Profit and loss account.....	50,218	
	<hr/>	<hr/>
Total Liabilities.....	\$ 8,343,824	\$ 7,971,348

<i>Resources.</i>		
Notes discounted.....	3,093,840	2,958,060
Bills of exchange.....	1,850,222	1,755,505
Suspended debt, stocks, &c.....	167,429	88,068
Real estate for banking houses.....	87,534	87,534
Do. taken for debt.....	164,671	140,305
Kentucky five per cent. bonds.....	250,000	250,000
City of Louisville six per cents.....	200,000	200,000
Bank balances.....	445,692	676,062
Due from other corporations.....		15,425
Deficiency, for over issue of stock.....	470,300	338,300
Gold and silver.....	1,275,308	1,240,305
Notes of other banks.....	319,388	221,784
Interest due by city of Louisville	\$ 8,800	
Insurance and other stocks, &c.	6,064	
Commissioners' sinking fund.....	4,574	19,438
	<hr/>	<hr/>
Total Resources.....	\$ 8,343,824	\$ 7,971,348

BANK OF LOUISVILLE AND TWO BRANCHES.

<i>Liabilities.</i>	January, 1846.	January 1, 1847.
Capital stock.....	\$ 1,082,100	\$ 1,082,000
Profit and loss and surplus.....	77,231	126,829
Balances due to banks.....	109,517	57,092
Dividends unpaid and declared.	34,401	2,600
Circulation.....	1,024,227	939,822
Deposits.....	213,782	161,380
Total Liabilities.....	\$ 2,541,258	\$ 2,369,723
<i>Resources.</i>		
Notes discounted.....	866,433	736,698
Bills of exchange.....	811,570	717,987
Suspended debt.....	89,927	86,825
Bonds of city of Louisville.....	80,000	75,000
Balances due from banks.....	146,772	132,830
Costs of suit, &c.....	1,481	1,618
Real estate.....	111,492	97,271
Specie.....	351,094	445,844
Bank notes and bonds, &c.....	82,489	75,650
Total Resources.....	\$ 2,541,258	\$ 2,369,723

RECAPITULATION—KENTUCKY BANKS, January, 1847.

	Bank of Kentucky and 7 Branches.	Northern Bank and 4 Branches.	Bank of Louisville and 2 Branches.
Circulation.....	\$ 2,434,000	\$ 2,336,000	\$ 940,000
Specie.....	1,240,000	931,000	445,000
Deposits.....	649,000	605,000	161,000
Loans.....	4,713,000	3,772,000	1,454,000

O H I O.

BANKS OF CLEVELAND, January 1, 1847.

<i>Liabilities.</i>	Commercial Br. Bank.	Merchants' Bank.	City Bank.	Canal Bank.
Capital.....	\$ 118,650	\$ 82,894	\$ 60,150	20,000
Circulation.....	195,180	158,220	60,519	39,118
Due other Banks.....	11,235	1,116	2,470	
Profits.....	7,343	8,366	3,903	1,428
Deposits.....	119,005	62,612	46,040	23,095
State treasurer.....			5,476	
Total.....	451,413	313,208	178,558	83,641
<i>Resources.</i>				
Loans.....	199,191	160,290	34,408	62,920
Specie.....	61,806	40,456	16,133	5,488
Eastern exchange.....	115,846	44,807	13,077	10,764
Notes of other banks.....	38,972	36,875	22,898	3,569
Due by other banks.....	19,185	8,246	3,263	
Safety fund.....	23,649	19,825	70,950	
Property and expenses.....	2,764	2,710	1,065	903
Real estate and stock.....			16,764	
Total.....	\$ 451,413	\$ 313,208	\$ 178,558	\$ 83,641

NORTH CAROLINA.

MERCHANTS' BANK OF NEWBERN, N. C.

<i>Liabilities.</i>	November, 1845.	November, 1846.
Capital stock.....	225,000	225,000
Circulation.....	245,951	257,000
Deposits.....	37,282	45,450
Profit and loss.....	16,128	22,032
Dividends unpaid.....	2,023	696
Bank balances.....	16,166	8,014
Total Liabilities.....	542,550	558,192
<i>Resources.</i>		
Bills receivable.....	280,817	279,960
Bills of exchange.....	96,515	99,158
Suspended Debt.....	5,512	3,652
Due by northern banks.....	49,938	47,450
Due by N. Carolina banks.....	438	10,652
Specie.....	82,282	83,021
Bank notes.....	20,078	27,329
Real estate.....	6,970	6,970
Total Resources.....	\$ 542,550	558,192

INDIANA.

State Bank of Indiana, Indianapolis, Dec. 12, 1846.

To the General Assembly of the State of Indiana :

I herewith transmit to the General Assembly a report of the affairs and business of the State Bank of Indiana, and each branch thereof, for the year ending on Saturday, the 21st of November last.

The aggregate profits for the year have been eight and a fourth per centum.

It will be noticed, that the "suspended debt" in several of the branches continues large; and independently of its inconvenience to the branches themselves, it is otherwise injurious—affording occasion for misrepresenting the condition of the bank. In mercantile communities, *suspension* is only another name for *bankruptcy*; but it is believed that by far the greater portion of the suspended debt of this bank, is as well secured as any other debt the bank has.

To obviate, however, the objection which that item presents to the minds of those unacquainted with its real character, the board of directors have resolved to carry an increased portion of the profits of the several branches to the "surplus fund" until the aggregate surplus in all the branches shall equal the amount of the suspended debt, and the amount invested in banking houses. In pursuance of this resolve, an order was made at the last quarterly session of the board, that at least one-sixth part of the then net semi-annual profits of the respective branches should be carried to the surplus fund; that, at the next May session of the board, at least one-fifth part of the profits, and at each half-yearly dividend thereafter, at least one-fourth of the profits should be carried to such fund; and that, when the surplus profits of the whole bank should equal the suspended debt and amount invested in banking houses in the whole bank, no extra dividend should be allowed by which such surplus should be reduced below that point.

Most of the individual stock in the Michigan City Branch has lately been sold to three gentlemen of the state of Illinois; and the circumstance that they

are strangers not only to the officers of this bank, and those of the sister branches, but to our community at large, has naturally excited a lively solicitude in regard to the future administration of the affairs of that branch. The sale had been effected a short time previous to my late semi-annual examination of the branch, and before the annual election of directors. All the information that I had been enabled to collect on the subject was presented to the board of directors of this bank at their last quarterly session, held on the 2d Monday of last month, and received the deliberate and careful attention of the board; and nothing has since been developed in relation to the subject, that would seem to require any further statement to the General Assembly at present.

J. MORRISON, *President.*

CONDITION OF THE STATE BANK OF INDIANA.

From the official report of the President.

<i>Liabilities.</i>	November, 1845.	November, 1846.
Capital stock owned by the state.....	899,054	935,854
Do. do. by individuals.....	1,188,840	1,147,970
Circulation under Fives.....		570,950
Do. Fives and upwards.....	* 3,527,351	2,962,847
Due to the state.....	19,186	89,535
Balances due other banks.....	76,438	47,886
Dividends unpaid.....	23,616	31,832
Individual deposits.....	359,265	409,989
Sinking fund.....	41,913	
Surplus fund.....	375,240	413,563
Profit and loss account.....	76,581	20,954
Due from branches to other branches....		73,309
Total Liabilities	\$ 6,587,484	\$ 6,510,290
<i>Resources.</i>		
Bills discounted.....	1,830,181	1,659,358
Bills of exchange.....	1,197,435	1,359,835
Suspended debt.....	598,928	577,647
Bank stock, &c.....	68,155	
Suspended items.....	27,105	
Due from other banks.....	690,618	803,065
Banking houses.....		173,952
Real estate.....	348,170	169,893
Furniture.....		5,945
Funds in transitu.....	112,523	113,578
Sinking fund and treasury notes.....	513,810	419,310
Bonds of state of Indiana.....	37,000	36,000
Notes of other banks on hand.....	84,188	119,976
Gold.....	214,262	
Silver.....	865,006	1,003,647
Due to branches from other branches		68,534
Total Resources.....	\$ 6,587,484	\$ 6,510,290

The above statement includes the operations of the whole fifteen branches. The parent bank, at Indianapolis does no discounting or regular banking business, but issues all the notes and supervises the concerns of all the branches, for whose separate condition see annexed table.

James Morrison, is President of the parent bank, Indianapolis. Salary, \$ 1,300.
James M. Ray, is Cashier of do. do. do. 1,100.

* After deducting notes on hand.

BRANCHES OF THE STATE BANK OF INDIANA, November 21, 1846.

<i>Resources.</i>	Loans.	Suspended Debt.	Real Estate.	Eastern Exchange.	Bank Balances.	Specie.	President.	Salary.
Indianapolis.....	364,255	69,573	30,226	53,324	70,019	70,036	Calvin Fletcher	\$ 800
Laurensburg.....	376,195	35,283	22,584	85,337	59,653	84,222	Levin B. Lewis	500
Richmond.....	200,581	26,343	5,141	40,130	68,817	67,086	Albert C. Blanchard	500
Madison.....	307,048	47,443	18,373	8,374	113,000	82,036	James F. D. Lanier	500
New Albany.....	236,736	14,855	24,393		33,770	53,884	Mason C. Fitch	500
Evansville.....	131,923	39,771	27,666	2,710	8,163	103,155	John Mitchell	
Vincennes.....	155,311	36,732	20,242	60,322	11,962	113,064	David S. Bonner	500
Bedford.....	104,362	79,264	9,708	19,234	2,266	75,000	Isaac Rector	700
Terre Haute.....	152,253	54,624	20,070	68,108	9,881	108,504	Curtis Gilbert	
Lafayette.....	341,057	41,794	39,562	19,800	2,055	62,922	Joseph S. Hanna	300
Fort Wayne.....	264,186	52,396	40,596	11,590	52,888	76,087	Samuel Hanna	700
South Bend.....	123,615	62,273	67,614	1,405		51,848	Samuel C. Sample	
Michigan City.....	262,190	17,294	17,671		256	55,801	Edmund D. Taylor	
Total.....	\$3,018,743	\$577,647	\$343,846	\$ 370,334	\$432,730	\$1,003,645		
<i>Liabilities.</i>	Capital.	Circulation.	Bank Balances.	Deposits.	Sinking Fund.	Surplus.	Cashier.	
Indianapolis.....	\$ 219,900	\$ 376,892	\$ 1,867	\$ 59,291	\$ 6,595	\$ 46,796	Thomas H. Sharp	\$ 1,100
Laurensburg.....	215,000	386,840	1,588	33,977	7,420	28,606	Henry K. Hobbs.	1,000
Richmond.....	167,000	238,478	309	20,248	3,756	31,606	Elijah Coffin	1,000
Madison.....	212,550	363,709	8,992	68,960	28,854	19,567	Joseph M. Moore	1,200
New Albany.....	163,850	193,085	22,421	24,437	1,431	32,946	James R. Shields	1,200
Evansville.....	151,866	224,890	4,296	17,973	1,085	12,984	John Douglass	1,000
Vincennes.....	148,200	257,141	1,887	13,658	2,222	23,169	John Ross	1,000
Bedford.....	91,762	170,724	263	13,957	6,558	23,130	Daniel R. Dunihue.	700
Terra Haute.....	157,900	264,686	4,277	27,678	3,830	37,061	Nathaniel Preston.	1,000
Lafayette.....	187,750	361,117	1,725	81,185	8,411	71,980	Cyrus Ball	800
Fort Wayne.....	145,705	280,410	260	38,324	6,740	50,000	Hugh McCulloch	1,200
South Bend.....	102,340	187,026		6,365	9,827	17,475	Horatio Chapin	
Michigan City.....	120,000	228,800		3,945	2,808	22,240	Daniel Krieh	1,200
Total Liabilities..	\$ 2,083,824	\$ 3,533,797	\$ 47,886	\$ 409,989	\$ 89,535	\$ 413,563		

MISSOURI.—BANK OF THE STATE OF MISSOURI AND BRANCHES, January 1, 1847.

Liabilities.

Location.	Capital.	Deposits.	Profit and Loss.	Circulation.	Bank Balances.	Total.	President.
St. Louis.....	\$ 601,032	\$ 1,228,668	\$ 253,869	\$ 920,580	\$ 43,287	\$ 3,047,436	Robert Campbell.
Branch, Fayette.....	120,059	5,140	9,258	201,490		335,947	John J. Lowry.
Branch, Palmyra.....	120,058	20,936	6,990	204,600	466	353,050	William Blakey.
Branch, Jackson.....	120,059	8,770	5,265	196,600	4,335	335,029	Albert H. Brevard.
Branch, Springfield.....	120,059	8,671	6,627	160,000		295,357	Joseph G. Morton.
Branch, Lexington.....	120,059	27,364	9,806	239,950	5,620	402,800	Lewis Green.
Total Liabilities.....	\$ 1,201,326	\$ 1,299,549	\$ 291,815	\$ 1,923,220	\$ 53,708	\$ 4,769,620	

Resources.

Location.	Loans.	Real Estate.	Suspended.	Bank Balances.	Bank Notes.	Specie.	Cashier.
St. Louis.....	1,373,118	107,525	92,572	65,514	391,941	1,008,628	Henry Shurlds.
Fayette.....	198,345	21,082	10,611	2,663	6,000	95,503	William C. Boon.
Palmyra.....	246,488	14,071	15,151		800	75,252	Samuel D. South.
Jackson.....	165,811	5,105	3,658		3,500	155,854	Thomas B. English.
Springfield.....	175,926	9,379	12,607	260	370	95,953	James R. Danforth.
Lexington.....	257,226	13,240	7,223		360	123,075	E. M. Ryland.
Exp. acct. of Bk. and Branches			14,803				
Total Resources	\$ 2,416,914	\$ 170,403	\$ 156,626	\$ 68,437	\$ 402,971	\$ 1,554,265	

The above exhibit of the bank at St. Louis, is the most favorable yet made by that institution, and is as flattering as the statement of any banks that we have seen. The deposits and circulation are, when compared with its capital, larger than those of any other bank in the U. S., and indicating a highly favorable position for a profitable banking business. The bank of the state of Missouri, supplies a large portion of the bank circulation for Missouri, Illinois, and Iowa. The constitution of Missouri prohibiting the charter of any other banks in that state, while those of Illinois and Iowa, have for several years been extinct.

LOAN TO THE BANK OF ENGLAND.

From the London Banker's Magazine, January, 1847.

Most of our readers are no doubt familiar with the story of the Bank of England having, in 1839, been obliged to obtain a loan from the Bank of France in order to prevent serious consequences—even to the stoppage of cash payments. We have heard the matter related in such a variety of ways, that, although we felt convinced it had lost nothing by its rapid circulation, we did not suppose it was altogether without foundation. Such however appears to be the case. The present editor of the city article of *The Times*, has traced the error to its origin, and distinctly states that the Bank of England has never been indebted to the Bank of France for any loan whatever. We are glad to hear this.

The present editor of the city article of *The Times*, it is generally known, filled a highly responsible and important appointment in the Bank of England before his acceptance of his present office. He had, therefore, ample opportunities of becoming acquainted with the real facts of such a question as that which has so long vexed our currency writers—the loan from the Bank of France; and he has shown to us, quite satisfactorily, that there never was any loan of the kind! The Bank of England, it is true, endeavored, in the exercise of a judicious policy, to restore the equilibrium of the exchanges by operating on the French market for securities; but this adds to the reputation of the directors, and proves their discretion and foresight.

We give below the statement of *The Times* on the subject, and the commentary of the *Morning Chronicle*. Both the writers are men of first rate ability; and their apparent difference of opinion might give rise to further doubt upon the question. But it will be found that their difference is more apparent than real. The city editor of *The Times*, from his former connection with the bank, knows exactly the real state of the matter. The city editor of *The Chronicle*, expresses the general belief. We are sorry for many reasons that the director of the bank did not explain the real state of the case long ago; but it is true, they have not long had so able a writer acquainted with their proceedings and policy, as the present editor of the city article of *The Times*.

The following appeared in that Journal, on the 5th December, 1846:

From various paragraphs during the last few days, both in the London and continental papers, on the present condition of the Bank of France, an impression seems generally to prevail, that in the year 1839 the Bank of England obtained relief from danger by a loan from that institution, and opinions are consequently expressed that if similar aid should now be required in return it could not with propriety be refused. The idea, however, of a loan having at any time been made by the Bank of France to the Bank of England is altogether erroneous. In July, 1839, the bullion of the Bank of England had fallen below £ 3,000,000 sterling, while its rate of discount was as high as 5½ per cent. It was evident that the causes for the existing drain consisted more in distrust abroad, founded on a belief that the Bank of England could not long continue specie payments, than in an unfavorable balance of trade, or a run for sovereigns to hoard at home. Parties on the continent drew out all their balances here, and as much more as their correspondents would give them credit for, discounted the acceptances in London, and, in the absence of foreign bills, took gold from the Bank of England. Under these circumstances it was impossible that exports of produce and manufactures from England could take place immediately to a sufficient extent to counteract the evil; but it was seen that the difficulty would be met if a temporary creation of bills on the continent could be effected. With this view, the Bank of England engaged to transfer English securities as a guarantee to Messrs. Baring, Brothers, and Co., or those whom they should name, and this house arranged to draw three months' bills for 40,000,000f. on various houses in Paris.

These bills, which Baring, Brothers, and Co. negotiated upon 'change, (paying the proceeds into the bank, so as gradually to act upon the circulation,) fully supplied the trade demand for remittances hence, and equally served to meet all paper on England remitted here for returns, as they proved a better return than gold. At the end of three months, when the acceptances fell due, the same amount was redrawn, so as to cover each acceptor by bills on his neighbor, thus prolonging the operation to six months; but, before the expiration of this period, the supply of the regular remittances of commerce had been such as to enable Messrs. Baring to liquidate all the engagements in Paris, and to restore the pledged securities to the Bank of England.

From this statement, the Bank of France will appear to have had nothing to do with the operation; but a mode by which they facilitated its progress, and which, doubtless, gave rise to the erroneous suppositions which have since been entertained on the subject, remains to be mentioned. The drafts drawn by Messrs. Baring on the various French houses were, of course, liable to be presented for discount to the Bank of France, and as these firms, respectively, had credits only to a certain limit with that institution, there was a possibility that their rejection might become necessary, owing to such limits being exceeded. This difficulty was calculated to produce an injurious effect, and application was therefore made to the Bank of France in order that it might be overcome. An understanding was accordingly entered into by the Bank of France, that the drafts, in case they should make their appearance, should be discounted, without regard to the limits in question. This precautionary arrangement, however, proved to have been scarcely essential, for the drafts being of the first character, and the rate of discount at the Bank of France being somewhat higher than the market rate, they were readily discounted out of doors, and hence it is believed that but a very small proportion found their way into that establishment.

The only claim, therefore, that can be urged upon the Bank of England in the way of reciprocity is, that supposing the Bank of France should now, for the purpose of purchasing silver from us, adopt a method analogous to that just described, the same facilities of discount should be afforded with regard to the parties upon whom they might procure bills. These would, doubtless, consist of leading houses, whose acceptances would at all times be received with avidity by the ordinary money-lender, and such an engagement on the part of the Bank of England would therefore involve no great stretch of generosity.

From the present aspect of affairs it seems by no means improbable that some measure of this description will be resorted to by the Bank of France, and it is important to recognize, that if such should be the case it must cause an immediate rise in the discount market. A demand from a new source for two millions, or even for one million, could not come suddenly upon us without producing a decided increase in the prevailing rates, and thus another is added to the numerous reasons which already exist to call for the exercise of caution.

To the above statement of *The Times*, the editor of the city article of *The Morning Chronicle* makes the following remarks:—

The version about the Bank of England, or rather the inference to be drawn from the *new* account now given of the transaction, is erroneous. Mr. Loyd, in his able pamphlet, in the spring of 1840, and other writers intimate with the bank transactions, did always treat it as a loan, and nothing but a loan, from the one bank to the other. It is true, the mere *modus operandi*, by which it was accomplished gave some coloring to the version given by *The Times*. A negotiation took place, as was then understood and generally admitted, between the two banks. The loan, or accommodation, was asked, and it was granted. Then, as to the way of carrying it into effect. It would have been a clumsy mode to have sent the gold direct from the coffers of the one bank to the other; besides, we believe there were some objections, according to the practice, if not the regulations, of the Bank of France, which prevented this mode; as there was also against their accepting the drafts of the Bank of England, even though the bank would have drawn them, which is highly improbable; and therefore another plan, more consistent with the practice and regulations of the two national establishments, was resorted to. The bank of

England employed the house of Messrs. Baring and Co. to draw upon parties in Paris, as arranged by the Bank of France to the required amount, the Bank of France undertaking to advance the money necessary to pay these bills, and to remain in advance a certain time. But it was not on the credit of Messrs. Baring and Co. (though it might have been enough,) but on the guarantee of the securities deposited by the Bank of England, that the advance was made. The bills drawn by Baring and Co., and paid in Paris by the Bank of France, were sold on the Exchange, and taken to pay the large balance against us caused by the corn importations, and thus arrested the further export of bullion. Messrs. Baring and Co. here, and the bankers in Paris, were the mere agents by which the transaction was managed between the two banks. It is, moreover, most likely, if the Bank of France were to borrow from the Bank of England, that a similar operation would take place in the reverse way. The Bank of France would employ an agent in Paris to draw upon an agent in London, whose acceptances would be discounted to the required amount, by previous agreement with the bank, and the bills so drawn in Paris would raise the exchanges and arrest the drawn bullion and perhaps cause its importation. When bullion is sent direct, it is done with the private means of the parties, and when the etiquette of business allows it to be done, which was not the case with the Bank of France, it is less expensive probably than having recourse to the payment of commissions, as the Bank of England had. The operation was most expensive, as it had the commissions of Messrs. Baring and Co. and the bankers in Paris to pay, as well in the first drawing as in the re-drawing finally to return the loan.

COINS.

From Haydn's Dictionary.

EAGLE.—An ancient coin of Ireland, made of a base metal, and current in the first years of Edward I, about A. D. 1272; it was so named from the figure impressed upon it. The American gold coinage of eagles, half-eagles, and quarter eagles, began December 6, 1792. An American eagle is of the value of or about two guineas English.

The standard of the eagle was first borne by the Persians; and the Romans carried figures of the eagle, as ensigns, in silver and gold, and sometimes represented with a thunderbolt in its talons, on the point of a spear; they adopted the eagle in the consulate of Marius, 102 B. C. When Charlemagne became master of the whole of the German empire, he added the second head to the eagle for his arms, to denote that the empires of Rome and Germany were united in him, A. D. 802. The eagle was the imperial standard of Napoleon; and is that of Austria, Russia, and Prussia.—**WHITE EAGLE**, an order of knighthood instituted in 1325, by Uladislaus, king of Poland, on the marriage of his son Casimir with a daughter of the great duke of Lithuania; the knights of this order wore a gold chain on the breast, to which hung a silver eagle crowned. **BLACK EAGLE** was an order of the same kind instituted in 1701, by the elector of Brandenburg, Frederick I, on his being crowned king of Prussia.

FARTHING.—One of the earliest of the English coins. Farthings in silver were coined by king John; the Irish farthing of his reign is of the date 1210, and is valuable and rare. Farthings were coined in England in silver by Henry VIII. First coined in copper by Charles II, 1665; and again in 1672, when there was a large coinage of copper money. Half-farthings first coined in the reign of Victoria, 1843.

GROATS.—This name has been proverbial for a small coin.—*Shakspeare*. It is from the Dutch *groot*, and is a coin of the value of four pence.—*Ray*. Groats were the largest silver currency in England until after 1351, and were coined in almost all reigns. The modern four pence is the diminutive groat. Of these there were coined, in 1836, to the value of 70,884*l.*; in 1837, 16,038*l.*

MARK.—This coin originated among the Northern nations, and the name mark-lubs is still retained in Denmark, as money of account. In England, the mark means the sum of thirteen shillings and fourpence; and here the name is also retained in particular cases of fines being adjudged against infractors of the law in criminal courts.—*Ashe.*

STANDARD.—First fixed by law for gold and silver in England, A. D. 1300. Standard gold is 22 parts out of 24 of pure gold, the other two parts or carats being silver or copper. The standard of silver is 11 oz. 2 dwt. of fine silver alloyed with 18 dwts. of copper or 37 parts out of 40 of pure silver, and 3 parts copper. In A. D. 1300, these 12 oz. of silver were coined into 20 shillings. In 1412 they were coined into 30 shillings; and in 1527 into 45 shillings. In 1545, Henry VIII coined 6 oz. of silver and 6 oz. of alloy into 48 shillings; and the next year he coined 4 oz. of silver and 8 oz. of alloy into the same sum. Elizabeth, in 1560, restored the old standard in 60 shillings; and in 1601 in 62 shillings. It is now 66 shillings. The average proportions of silver to gold at the Royal Mint are $15\frac{1}{2}$ to 1. The standard of plate and silver manufactures was affirmed, 6 George I, 1719, *et seq.*

GUINEA.—An English gold coin, so named from their having been first coined of gold brought from the coast of Guinea, A. D., 1673. They were then valued at 30s. and were worth that sum in 1696. They were reduced in currency from 22s. to 21s. by the English parliament in 1717. Broad pieces were coined into guineas in 1782. The original guineas bore the impression of an elephant, on account of their having been coined of this African gold.

SOVEREIGN.—The name of an ancient as well as a modern gold coin of England. In the reign of Henry I, a coin of this denomination was issued, of the value of 22s. and one twenty-fourth part of the weight of a pound of gold. In 34 Henry VIII, sovereigns were coined of the value of 20s. which afterwards passed for 24s. and 30s. By 56 George III, sovereigns of the new coinage were directed to pass for 20s. and they were issued from the English Mint the same year, 1816.

FLOREN.—A coin first made by the Florentines. A floren was issued by Edward III, which was current in England at the value of 6s. in 1337. This English coin was called *florin* after the Florentine coin, because the latter was of the best gold. The floren of Germany is in value 2s. 4d.; that of Spain 4s. 4½d.; that of Palermo and Sicily 2s. 6d.; that of Holland 2s.

CROWN and HALF-CROWN.—These were coined in England very near to the present standard in the last year of Edward VI, by whom the coinage (which had been very much alloyed and debased by Henry VIII) was in some degree restored and purified, 1553.

DUCAT.—First coined by Longinus, governor of Italy. First struck in the duchy of Apulia. Coined by Robert, king of Sicily, in 1240. The ducat is so called because struck by dukes. It is of silver and gold, the value of the first being 4s. 6d. and that of the gold 9s. 6d.

SHILLING.—The value of the ancient Saxon coin of this name was five pence, but it was reduced to four pence about a century before the conquest. After the conquest, the French *solidus* of twelve pence, in use among the Normans, was called *shilling*. The true English shilling was first coined, but in small quantity, 18 Henry VII, 1503 or in 1505. A peculiar shilling, value nine pence, but to be current at twelve, was struck in Ireland, 1560: and a large but very base coinage in England for the service of Ireland, 1598. Milled shilling was coined 13 Charles II, 1662.

LOUIS-D'OR.—The Louis of gold, a French coin of 24 francs, was first struck by Louis XIII, in 1640. The value of this coin was originally about

20s. Its value has fluctuated with the storms of revolution and the incidents of time, between 15s. 4d. and 22s. 8d.

PENNY.—The ancient silver penny was the first silver coin struck in England, and the only one current among the Anglo-Saxons. The penny, until the reign of Edward I, was struck with a cross, so deeply indented that it might be easily parted into two for half-pence, and into four for farthings, and hence these names. Penny and twopenny pieces of copper were coined at Birmingham, in 1797.

TOKENS.—These were silver pieces issued by the Bank of England, of the value of 5s., Jan. 1, 1798. They were raised to the value of 5s. 6d., Nov. 14, 1811. Bank tokens were also current in Ireland, where those issued by the bank passed for 6s. and lesser sums until 1817. They were called in on the late revision of the coinage.

BILLS OF EXCHANGE, &c.

BILLS OF EXCHANGE.—Invented by the Jews, as a means of removing their property from nations where they were persecuted, A. D. 1160. Bills were used in England, 1307; and were the only legal mode of sending money from England, 4th Richard II, 1681. Regulated 1598; first stamped, 1782; duty advanced, 1797; again, June, 1831; and since. It was made capital in 1734 to counterfeit bills of exchange. In 1825, the year of disastrous speculations in England, it was computed that there were 400 millions of pounds sterling represented by bills of exchange and promissory notes. The present amount is not supposed to exceed fifty millions. The many statutes regarding bills of exchange were consolidated in 1828.

INTEREST OF MONEY.—It was twenty per cent. in Europe in the twelfth century. Fixed at twelve per cent. in Spain, Germany, and Flanders, by Charles V, in 1560. Till the fifteenth century, no Christians were allowed to receive interest on money, and Jews were the only usurers, and, therefore, often banished and persecuted. Interest was first settled by law in England, at ten per cent., 37 Henry VIII, 1546. This law was repealed by Edward VI; but it was restored by Elizabeth. In those days the monarch could not borrow without the collateral security of the metropolis. Interest was reduced to eight per cent. and the word first used instead of usury, 21 James I, 1624. Reduced by the "Rump-parliament," (so designated at the period of the civil war in England,) in 1649, to six per cent., and so confirmed at the restoration, in 1660. Reduced to five per cent., 13 Anne, 1714, at which rate it remains. The rate in Ireland is six per cent.; regulated 14 George III, 1773. In the United States, by law, from six to twelve per cent. In England, all interest above the legal standard is usury, and punishable by the English statute. The law, however, does not now apply to bills having only 60 days to run.

PLATINA.—This is the heaviest of all the metals, and harder than silver and gold. The name which is given to it originated with the Spaniards, from the word *Plata*, signifying silver, it would seem on account of its silvery color. It was unknown in Europe until the year 1748, when Don Antonio Ulloa announced its existence in the narrative of his voyage to Peru.

PLATING.—The art of covering baser metals with a thin plate of silver, either for use or for ornament, said to have been invented by a spur-maker in England. Till then spurs were made of solid silver; and, from the flexibility of that metal, they were liable to be bent into inconvenient forms from the slightest accident. To remedy this defect, a workman at Birmingham contrived to make the branches of a pair of spurs hollow, and to fill that hollow with a slender rod of steel. Finding this a great improvement,

and desirous to add cheapness to utility, he continued to make the hollow larger, and the iron thicker, till at last he so coated the iron spur with silver, as to make it equally elegant with those made wholly of that metal. The invention was quickly applied to other purposes.

EXCHANGE.—One called the *Collegium Mercatorium*, existed at Rome, 493, B. C. The Exchange at Amsterdam was reckoned the finest structure of the kind in the world. Many edifices of this name in Great Britain are magnificent. The Exchange of London was founded in 1566, and was called *Royal* by Elizabeth, on her visit to it, in 1571. This edifice was totally destroyed by fire in 1666, with the custom-house, and many other public buildings, besides 13,200 houses, laying waste 400 streets. It was rebuilt in 1668; repaired and beautified in 1769. Again burnt and made a pile of ruins, in 1838. Its rebuilding was commenced in 1840, and opened in 1844.

NOTARIES.—They were first appointed by the primitive fathers of the Christian church, to collect the acts or memoirs of the lives of the martyrs, in the first century. This office was afterwards changed to a commercial employment, to attest deeds and writings, so as to establish their authenticity in any other country. An important statute to regulate notarial transactions was passed 40 George III, 1800, and some statutes on the same subject have been enacted since.

From M'Culloch's Commercial Dictionary.

CIRCUMSTANCES WHICH LED TO THE INTRODUCTION AND USE OF COINS — When the precious metals first began to be used as money, or as standards by which to measure the value of different articles, and the equivalents for which they were most commonly exchanged, they were in an unfashioned state, in bars or ingots. The parties having agreed upon the quantity of metal to be given for a commodity, the exact amount was then ascertained by weight. But it is obvious that a practice of this sort must have been attended with a great deal of trouble and inconvenience. There can, however, be little doubt that the greatest obstacle to the use of unfashioned metals as money would be found in the difficulty of determining their quality, or the degree of their purity, with sufficient precision. The operation of assaying is one of great nicety and difficulty; and could not be performed in the early ages otherwise than in a clumsy, tedious, and inaccurate manner. It is, indeed, most probable, that when the precious metals were first used as money, their quality would be appreciated only by their weight and color. A very short experience would, however, be sufficient to show the extreme inexactness of conclusions derived from such loose and unsatisfactory criteria; and the devising of some method, by which the fineness of the metal might be easily and correctly ascertained, would very soon be felt as indispensable to the general use of gold and silver as money. Such a method was not long in presenting itself; it was early discovered, that to ascertain the purity of the metal, and also to avoid the trouble and expense of weighing it, no more was necessary than to mark each piece with a *stamp* declaring its weight and fineness. This invention was made at a very early period. According to Herodotus, the Lydians were the first who coined money.— Lib. i. c. 94. Other ancient authors say that the art of coining was invented during the period when Saturn and Janus reigned in Italy; that is, in a period antecedent to authentic history.

METAL USED IN THE MANUFACTURE OF COINS.—Before the art of metallurgy was well understood, the baser metals were frequently used as money.

Iron was the primitive money of the Lacedæmonians, and copper of the Romans. But both iron and copper deteriorate by being kept; and besides this defect, the rapid improvement of the arts, by lowering their price, rendered their bulk too great in proportion to their value to permit of their continuing to be used as money. Copper, indeed, is still used in the form of tokens, convertible into silver in very small payments. In England copper pence and halfpence are rated at about 72 per cent. above their real value; but as their issue is exclusively in the hands of government, and as they are only legal tender to the extent of *one shilling* in any one payment, this over-valuation is not productive of any bad effect. The use of copper in other countries is limited in much the same way; gold and silver being every where the only metals made use of in the manufacture of the coins used in considerable payments.

SILVER COINS.—A pound Troy, or 12 ounces, of the metal of which English silver coins are made, contain 11 oz. 2 dwts. pure silver, and 18 dwts. alloy. This pound is coined into 66 shillings; so that each shilling contains 80·727 grains fine silver, and 87·27 standard silver; and the *money pound*, consisting of 20 shillings, contains 1614·545 grains pure silver, and 1745·454 grains standard silver. From 1600 down to 1816, the pound weight of standard silver bullion was coined into 62 shillings. All the English silver coins have been coined out of silver of 11 oz. 2 dwts. fine, from the Conquest to this moment, except for the short period of 16 years, from the 34th Henry VIII to the 2d Elizabeth.

GOLD COINS.—The purity of gold is not estimated by the weights commonly in use, but by an Abyssinian weight called a *carat*. The carats are subdivided into four parts, called grains, and these again into quarters; so that a *carat grain*, with respect to the common divisions of a pound Troy, is equivalent to $2\frac{1}{2}$ dwts. Gold of the highest degree of fineness, or pure, is said to be 24 carats fine. When gold coins were first made at the English mint, the standard of the gold put in them was of 23 carats $3\frac{1}{2}$ grains fine and $\frac{1}{2}$ grain alloy; and so it continued, without any variation, to the 18th of Henry VIII, who, in that year, first introduced a new standard of gold of 22 carats fine, and 2 carats alloy. The first of these standards was called the old; and the second the new standard, or crown gold; because crowns, or pieces of the value of 5s. were first coined of this new standard. Henry VIII made his gold coins of both these standards under different denominations; and this practice was continued by his successor until 1633. From that period to the present, the gold of which the coins of this kingdom have been made has been invariably of the *new* standard, or crown gold; though some of the coins made of the old standard, previously to 1633, continued to circulate till 1732, when they were forbidden to be any longer current.

The purity of our English gold coin is, therefore, 11 parts fine gold and 1 part alloy. The sovereign or 20 shilling piece, contains 113·001 grains fine gold and 123·274 standard gold. The pound Troy of standard gold is coined into 46 89-120 sovereigns, or into 46*l.* 14*s.* 6*d.* The mint or standard price of gold is, therefore, said to be 46*l.* 14*s.* 6*d.* per lb. Troy, or 3*l.* 17*s.* 10½*d.* an ounce.

The alloy in coins is reckoned of no value. It is allowed, in order to save the trouble and expense that would be incurred in refining the metals, so as to bring them to the highest degree of purity; and because when its quantity is small, it has a tendency to render the coins harder, and less liable to be worn or rubbed. If the quantity of alloy were considerable, it would lessen the splendor and ductility of the metals, and would add too much to the weight of the coins.

VARIATIONS OF THE STANDARD.—The value of all sorts of property being estimated, and the stipulations in almost all contracts for its purchase, sale, or hire, being made in money or coins, it is plain that no change can take place in the value of such money or coins, without virtually subverting these estimates and contracts, and enriching the debtor portion of society at the expense of the creditor portion, or *vice versa*. As the cost of producing all commodities is liable to vary from improvements in the arts, the exhaustion of the present or the discovery of new sources of supply, none can be selected to serve as money or coin, that may not vary in its real value. It is believed, however, that the precious metals vary less than any material that could be suggested. And with the exception of the extraordinary fall in their value caused by the discovery of the American mines, it seems to have been remarkably constant at other periods.

But in addition to the fluctuations naturally inherent in the value of coins, arising from variations in the cost of the metal of which they are made, their standard has been repeatedly changed. Notwithstanding that money or coin, from its being universally used as a scale by which to compute the value of all commodities, and as the equivalent for which they are commonly exchanged, is by far the most important of all the measures used in society; and should, consequently, be preserved as invariable as possible; there is none that has been so frequently altered. The necessities or extravagance of government have forced them to borrow; and to relieve themselves of the incumbrances thus contracted, they have almost universally had recourse to the disgraceful expedient of degrading the coin; that is of *cheating* those who lent them money, to the extent of the degradation, and of enabling every other debtor in their dominions to do the same.

The ignorance of the public in remote ages facilitated this species of fraud. Had the names of the coins been changed when the quantity of metal contained in them was diminished, there would have been no room for misapprehension. But, although the weight of the coins was undergoing perpetual, and their purity occasional, reductions, their ancient denominations were almost uniformly preserved; and the people who saw the same names still remaining after the substance was diminished; who saw coins of a certain weight and fineness circulate under the names of florins, livres, dollars, and pounds; and who saw them continue to circulate as such, after both their weight and the degree of their fineness had been lessened; began to think that they derived their value more from the *stamp* affixed to them by authority of government, than from the quantity of the precious metals they contained. This was long a very prevalent opinion. But the rise of prices which invariably followed every reduction of the standard, and the derangement that was thereby occasioned in every pecuniary transaction, undeceived the public, and taught them, and their rulers, the expediency of preserving the standard of money inviolate.

The standard may be reduced by simply raising the denomination of the coin; by ordering, for example, that a half-sovereign should pass for a sovereign, and the latter for a double sovereign, &c. If injustice be resolved upon, this is the least mischievous way in which it can be perpetrated, inasmuch as it saves all the trouble and expense of a recoinage. But as it renders the fraud obvious and glaring, it has rarely been resorted to; and most reductions have been effected either by diminishing the weight of the coins, or by increasing the proportion of alloy in the metal of which they are made, or both.

Originally the coins of all countries seem to have had the same denomination as the weights commonly used in them; and contained the exact quantity of the precious metals indicated by their name. Thus, the *talent*

was a weight used in the earliest period by the Greeks, the *as* or *pondo* by the Romans, the *livre* by the French, and the *pound* by the English and Scotch; and the coins originally in use in Greece, Italy, France, and England, bore the same names, and weighed precisely a talent, a pondo, a livre, and a pound. The standard has not, however, been preserved inviolate, either in modern or ancient times. It has been less degraded in England than any where else; but even here the quantity of silver in a pound sterling is less than a *third* part of a pound weight,—the quantity it contained in 1300. In France, the livre current in 1789 contained less than *one sixty-sixth* part of the silver implied in its name, and which it had actually contained previously to 1103. In Spain, and some other countries, the degradation has been carried still farther.

From 1296 to 1355, the coins of England and Scotland were of the same weight and purity; but at the last mentioned epoch the standard of Scotch money was, for the first time, sunk below that of England; and by successive degradations, the value of Scotch money, at the union of the crowns in 1600, was only a *twelfth* part of the value of the English money of the same denomination. It remained at this point till the union of the kingdoms cancelled the separate coinage of Scotland.

The gold and silver coins of Ireland have been for a considerable period the same as those of Great Britain; but, until 1825, they were nominally rated 8½ per cent. higher. This difference of valuation, which was attended with considerable inconveniences, was put an end to by the act 6 Geo. 4. c. 79., which assimilated the currency throughout the empire.

MINT, OR GOVERNMENT VALUATION OF GOLD AND SILVER COINS.—If both gold and silver coins be made legal tenders, it is obviously indispensable that their value with respect to each other should be fixed by authority; or that it should be declared, that individuals shall be entitled to discharge the claims upon them by payments, either of gold or silver coins, according to some regulated proportion. The practice of making both metals legal tenders was long adopted in England. From 1257 till 1664, the value of gold coins was regulated by proclamation; or which is the same thing, it was ordered that the gold coins, then current, should be taken as equivalent to certain specified sums of silver. From 1664, down to 1717, the relation of gold to silver was not fixed by authority; and silver being then the only legal tender, the value of gold coins fluctuated, according to the fluctuations in the relative worth of the metals in the market. But in 1717, the ancient practice was again reverted to; and it was fixed that the guinea should be taken as the equivalent of 21 shillings, and conversely.

But the value of each of the precious metals is liable to perpetual changes. And hence, how accurately soever their proportional value, as fixed by the mint regulations, may correspond with the proportion which they actually bear to each other in the market when the regulation is made, the chances are 10 to 1 that it will speedily cease to express their relation to each other. But the moment that such a change takes place, it becomes the obvious interest of every one who has a payment to make, to make it in the *overvalued* metal: which, consequently, becomes the sole, or nearly the sole, currency of the country. Hence the reason why the coins of some countries are almost wholly of silver, and others almost wholly of gold. It is estimated, for example, that when it was fixed, in 1717, that the guinea should exchange for 21 shillings, gold was overvalued as compared with silver to the extent of 19-31 per cent.; and as the real value of silver with respect to gold continued to increase during the greater part of last century, the advantage of paying in gold in preference to silver became more decided, and ultimately led to the universal use of gold in all large payments, and to the fusion or exportation of all silver coins of full weight.

In France a different valuation of the metals has had a different effect. Previously to the recoinage in 1785, the *Louis d'or* was rated in the mint proportion at only 24 livres, when it was really worth 25 livres 10 sols. Those, therefore, who should have discharged the obligations they had contracted by payments of gold coin instead of silver, would plainly have lost one livre 10 sols on every sum of 24 livres. In consequence, very few such payments were made; gold was almost entirely banished from circulation, and silver became almost the only species of metallic money used in France.

In 1816, however, a new system was adopted in this country; it being then enacted (56 Geo. 3. c. 68) *that gold coins only should be legal tender in all payments of more than 40 shillings*. The pound of silver bullion, that had previously been coined into 62 shillings, was then also coined into 66 shillings, the additional *four* shillings being retained by government as a *seignorage* or duty (amounting to 6 14-31 per cent.) upon the coinage. To prevent the silver coins from becoming redundant, government has retained the power to issue them in its own hands. Under these regulations, silver has ceased to be a standard of value, and forms merely a subordinate or subsidiary species of currency, or change, occupying the same place in relation to gold that copper occupies in relation to itself. This system has been found to answer exceedingly well.

A good deal of difference of opinion has existed as to whether gold or silver coins are best fitted for being made a legal tender. It does not seem that the one possesses any very striking advantage over the other; none, certainly, that would justify a change, after a selection had been made, and acted upon for any considerable period.

Down to 1626, a seignorage or duty upon the coinage was usually charged upon the gold and silver coins issued by the mint; and it may be easily shown that the imposition of such a duty, when it is not carried to an undue height, is advantageous. A coin is more useful than a piece of uncoined bullion of the same weight and purity; the coinage fitting it for being used as money, while it does not unfit it for being used for any other purpose. When, therefore, a duty of seignorage is laid upon coin equal to the expense of coinage, it circulates at its real value; but when this charge is defrayed by the public, it circulates at *less* than its real value, and is consequently either melted down or exported whenever there is any demand for bullion in the arts, or any fall in the exchange. It is, indeed, true, that were a seignorage to be laid on gold coins, it would be necessary to prevent an enhancement of the value of the currency, that their weight should be proportionally reduced; and it is on this account better, perhaps, to let them remain on the present footing. But when a seignorage was laid on the silver coins, in 1816, it was not necessary to take the circumstance now alluded to into consideration; for as they were made subordinate to gold, and were intended to serve as change merely, its imposition had no tendency to raise the value of the currency, at the same time that it was calculated effectually to prevent the fusion of the coins, and to yield a small revenue to government.

It will be seen from official accounts, that gold coin to the amount of 47,000,000*l.* has been coined at the mint between 1817 and 1831, both inclusive. It is not easy to form any very precise estimate of the portion of this immense sum now in circulation. In consequence of the exemption of our gold coin from any seignorage, large quantities of the coins carried abroad during an unfavorable exchange find their way to the foreign mints, where they are melted and recoinage. We are not, however, wholly destitute of the means of approximating to the quantity of coin in circulation. The mint

works wholly, or almost wholly, for the Bank of England, so that by comparing the issues of coin by the Bank with the coin paid to her, and allowing for the export, we are able to get at a tolerably accurate result. We are indebted to Mr. Horsley Palmer for valuable estimates, made up on this principle, of the gold coin in circulation in February, 1833. It may not be quite accurate, but we are sure that it is as accurate as it is possible to make any estimate of the sort.

THE EXPORTATION AND IMPORTATION OF GOLD AND SILVER COINS was formerly prohibited; but in 1819 it was enacted (59 Geo. 3. c. 49) that they might be freely exported and imported, without being liable to any charge or duty whatever; and they may be imported without being either reported or entered at the custom-house. This regulation has rendered it next to impossible to ascertain the value of the bullion imported.

FORGERY OF COIN. ISSUE OF FORGED OR SPURIOUS COINS.—The forgery of coin is an offence that is practised more or less at all periods. The most effectual means of preventing it is to improve the fabric of the genuine coins, to cut the dies with great delicacy, and occasionally to vary the form of the coins. During the lengthened period from 1770 down to 1816, the genuine silver coins in circulation were so much worn and defaced, that it was very difficult to distinguish between them and counterfeits, which, in despite of the severest penalties, were thrown into circulation in immense quantities. But since the issue of the new coins, in 1816, forgery has been comparatively rare. There has, however, been a considerable increase of forgery during the last 7 years, as compared with the previous 7. Sufficient time has not yet been afforded for determining the influence of the law exempting the offence of counterfeiting from the punishment of death.

ORIGIN OF GOLD COINS.—The first coinage in England was under the Romans at Camulodunum, or Colchester. English coin was of different shapes, as square, oblong, and round, until the middle ages, when round coin only was used. Groats were the largest silver currency until after A. D. 1351. Coin was made sterling in 1216, before which time rents were mostly paid in kind, and money was only found in the coffers of the barons.

Gold coin was introduced in six shilling pieces by Edward III and nobles followed, at six shillings and eight pence, and hence the lawyer's fee; afterwards there were half and quarter nobles. Edward IV coined angels with a figure of Michael and the dragon, the original of George and the dragon. Henry VIII coined sovereigns and half sovereigns of the modern value. Guineas were of the same size; but being made of superior gold from sovereigns, guineas passed for more. English and Irish money were assimilated Jan. 1, 1826.

This operation was originally performed by the metal being placed between two steel dies, struck by a hammer. In 1553, a mill was invented by Antonio Brucher, and introduced into England, 1562. An engine for coining was invented by Balancier, in 1617. The great improvements of the art were effected by Boulton and Watt, at Soho, 1788, and subsequently. The art was rendered perfect by the creation of the present costly machinery at the mint, London, commenced in 1811.

Homer speaks of brass money as existing 1184 B. C. The invention of coin is ascribed to the Lydians, who cherished commerce, and whose money was of gold and silver. Both were coined by Phidon, tyrant of Argos, 869 B. C. Money was coined at Rome under Servius Tullius, about 578 B. C. The most ancient known coins are Macedonia, of the fifth century B. C.; but others are believed to be more ancient. Gold was coined in 206 B. C.

THE
BANKERS' MAGAZINE
AND
State Financial Register.
MARCH, 1847.

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GOLD COINS.

1

UNITED STATES, N. A.



Eagle.—\$10.00.



½ Eagle.—\$5.00.



¼ Eagle.—\$2.50.

MEXICO AND SOUTH AMERICA.



Double.—\$15.60.



Double.—\$15.60.



¼ Double.—\$3.90.



Double.—\$15.50.



Double.—\$15.60.



¼ Double.—\$7.75.



¼ Double.—\$3.80.



¼ Double.—\$3.80.



¼ Double.—\$1.94.



1-16 Double.—94 Cts.

Engraved from the original Coin, by J. W. ORR, 75 Nassau Street, New York.

GOLD COINS.

2

SOUTH AMERICAN.



1-16 Doub.—94 Cts.



Doubleloon.—\$15.55.



1-16 Doub. 94 Cts.

SPANISH.



Doubleloon.—\$15.90.



Pistole.—\$3.97.



1-10 Moidore.48 Cts. 1-16 Joe.—93 Cts



Escudo.—1.94.



1-16 Doub. 94 Cts.

ENGLISH.



Double Sovereign.—\$9.68.



Sovereign.—\$4.84.



Sovereign.—\$4.83.



Sovereign.—\$4.83.



½ Sovereign.—\$2.42.



Sovereign.—\$4.80.



Sovereign.—\$4.80.



Guinea.—\$5.00

Engraved from the original Coin, by J. W. ORR, 75 Nassau Street, New York.

GOLD COINS.

8

FRENCH.



Double Louis d'or.—\$9.12½.



Louis d'or.—\$4.56.



40 Francs.—\$7.66.



20 Francs.—\$3.83.

SARDINIAN.



100 Lire.—\$19.12½.



40 Lire.—\$7.65.



20 Lire.—\$3.83.

GERMAN, RUSSIAN, AND DUTCH.



2½ Thalers.—\$1.94.



10 Thalers.—\$7.80.



2 Frederick d'or.—\$7.80.



Hol. Ducat.—\$2.18.



5 Roubles.—\$3.90.



½ Imperial.—\$3.92.



10 Guilders.—\$4.00.



5 Guilders.—\$2.00.

MISCELLANEOUS.



24 Cents.



93 Cents.



\$4.75.



\$1.96.

SILVER COINS.

4

AMERICAN.



Dollar.—\$1.00.



$\frac{1}{2}$ Dollar.—50 Cents.



$\frac{1}{4}$ Dollar.—25 Cents.

MEXICAN AND SOUTH AMERICAN.



Dollar.—\$1.00.



$\frac{1}{2}$ Dollar.—50 Cents.



$\frac{1}{4}$ Dollar.—25 Cents.



Real.—12½ Cents. Medio.—6¼ Cents. 2 Reals.—25 Cents. Real.—12½ Cents. $\frac{1}{2}$ Real.—6 Cts.



Dollar.—\$1.00.



$\frac{1}{2}$ Dollar.—48 Cents.



$\frac{1}{4}$ Dollar.—45 Cents.

SILVER COINS.

5

SOUTH AMERICAN.



960 Reis.—\$1.00.*



100 Reis.—8 Cents.



960 Reis.—\$1.00.



320 Reis.—32 Cents.



¼ Dollar.—25 Cents.



¼ Dollar.—22 Cents.



1 Real.—12 Cents



Dollar.—\$1.00.



½ Dollar.—50 Cents.



¼ Dollar.—25 Cents.



Dollar.—\$1.00.



½ Dollar.—50 Cents.



2 Reals.—16 Cents.



¼ Real.—3 Cents.

* Both Brazil and Portugal, as will be perceived, reckon by the "Reis," there is a difference, however, in the valuation, the Portuguese being one-tenth more than the Brazilian "Reis."

SILVER COINS.

GUATEMALA, N. A.



$\frac{1}{4}$ Dollar.—22 Cents.



Dollar.—80 Cents.



$\frac{1}{4}$ Dollar.—22 Cents.

Q The Coins of Bolivia of the year 1830 and since, of denominations less than the dollar, are very much debased, the "halfs" being worth but 37 and the "quarters" but 18 cents.

The dollars of Colombia from 1819-21, with the head of an Indian on one side, are very irregular in weight and fineness—varying from 65 to 85 cents in value. The dollar of 1839 with a horn of plenty and an eagle on one side are worth but 65 cents.

SPANISH.



Dollar.—\$1.02.



$\frac{1}{2}$ Dollar.—50 Cents.



$\frac{1}{4}$ Dollar.—24 Cents.



Dollar.—\$1.00.



$\frac{1}{2}$ Dollar.—50 Cents.



$\frac{1}{4}$ Dollar.—24 Cents.

Engraved on wood, from the original Coin, by J. W. ORR, 75 Nassau Street, New York.

SILVER COINS.

7

SPANISH.



Dollar.—\$1.00.



½ Dollar.—45 Cents.



¼ Dollar.—24 Cents.



Pistareen.—18½ Cents.



Pistareen.—16 Cents.



¼ Dollar.—12 Cents.



½ Pistareen.—8 Cents.



Real.—12 Cents.*



Medio.—6 Cents.



Medio.—6 Cents.



Cross Pistareen.—16 Cts.



Cross Pistareen.—16 Cts.



Cross Pistareen.—16 Cts.



¼ Pist.—4 Cts.

* There are three valuations to the "Real." 1. The Mexican, 8 to the dollar. 2. The "Real de la plata nueva," 10 to the dollar. 3. The "Real vellon," 20 to the dollar.

Engraved on wood, from the original Coin, by J. W. ORR, 75 Nassau Street, New York.

SILVER COINS.

8

PORTUGUESE.



Cruzado.—52 Cents.



100 Reis.—11 Cents.

SPANISH.



$\frac{1}{2}$ Dollar.—50 Cents.

ENGLISH.



Crown.—\$1.12.



$\frac{1}{2}$ Crown.—56 Cents.



1 Shilling.—23 Cents.



1 Shilling.—23 Cents



1 Shilling.—23 Cents.



1 Shilling.—23 Cents.



1 Shilling.—23 Cents.



$\frac{1}{2}$ Crown.—56 Cents.



7 Cents.



3 Cents.



$\frac{1}{2}$ Crown.—56 Cents.

SILVER COINS.

9

BRITISH.



5 Shillings.—99 Cents.



11 Cents.



3 Pence.—5 Cents.



Crown.—\$1.09.



53 Cents.



44 Cents.



26 Cents.

BRITISH COLONIAL.



1 Rupee.—42 Cents.



$\frac{1}{4}$ Dollar.—24 Cents.



$\frac{1}{2}$ Dollar.—12 Cents.



1-16 Dollar.—6 Cts.



Dollar.—92 Cents.

SILVER COINS.

10

FRENCH.



Crown.—\$1.06.



1/2 Crown.—60 Cents.



1/4 Crown.—25 Cents.



5 Francs.—93 Cents.



2 Francs.—34 Cents..



5 Francs.—93 Cents.



5 Francs.—93 Cents.



1 Franc.—17 Cents.



1 Franc.—17 Cents.



1/4 Franc.—4 Cents.



1/2 Franc.—8 Cents.

Engraved on wood, from the original Coin, by J. W. ORR. 75 Nassau Street, New York.

SILVER COINS.

11

FRENCH.



$\frac{3}{4}$ Dollar.--25 Cents.



$\frac{3}{4}$ Dollar.--25 Cents.



$\frac{1}{2}$ Crown.—50 Cents.



10 Sous.—8 Cents.

ITALY AND SWITZERLAND.



5 Livres.--93 Cents.



2 Livres.--34 Cents.



Carlin.—7 Cents.



Scudo.—93 Cents.



5 Livres.—93 Cents.



2 Livres.—34 Cents.



1 Livre.—17 Cents.

SILVER COINS.

12

ITALIAN.



10 Pauls.—\$1.04.



4 Cents.



1/4 Lira.—4 Cents.



10 Pauls.—\$1.04.

DUTCH AND GERMAN.



3 Guilders.—\$1.18.



25 Cent.—10 Cents.



10 Centimes.—4 Cents.



2 1/2 Guilders.—93 Cents.



1 Guilder.—37 Cents.



6 Stivers.—12 Cents.



1/2 Guilder.—18 Cents.



1/2 Thaler.—51 Cents.



1 Guilder.—37 Cents.



\$1.25.

SILVER COINS.

13

NORWAY, SWEDEN, DENMARK, RUSSIA.



Specie Rix Dollar.—\$1.04.



$\frac{1}{2}$ *Specie Rix Dollar.*—52 Cents.



24 *Skillings.*—20 Cents.



Rouble.—80 Cents.



Specie Rix Dollar.—\$1.02.



1 *Rouble.*—75 Cents.



5 *Zlotch.*—52 Cents.



25 *Copecks.*—18 Cents.

GERMANY.



1 *Thaler.*—66 Cents.



1 *Thaler.*—66 Cents.



$\frac{3}{4}$ *Thaler.*—22 Cents.

SILVER COINS.

14

GERMANY.



3 1/2 Guilders.—\$1.33



3 1/2 Guilders.—\$1.33.



Brabant Crown.—\$1.04.



1/4 Crown.—25 Cents.



16 Cents.



1/2 Thaler.—33 Cents,



Rix Dollar.—\$1.00.



36 Grotes.—28 Cents.



Rix Dollar.—66 Cents.



1 Thaler.—66 Cents.



1/2 Thaler.—32 Cents.

SILVER COINS.

15

GERMANY.



Rix Dollar.—92 Cents.



Floren.—46 Cents.



20 Kreuzer.—16 Cents.



Specie Rix Dollar.—\$1.03.



Specie Rix Dollar.—\$1.04.



1 Guilder.—37 Cents.



1 Floren.—51 Cents.



1 Thaler.—66 Cents.



2 Thalers.—\$1.33.

1-48 Thaler.



1 Cent.



2 Thalers.—\$1.33.

SILVER COINS.

16

GERMANY.



Thaler.—66 Cents.



Thaler.—66 Cents.



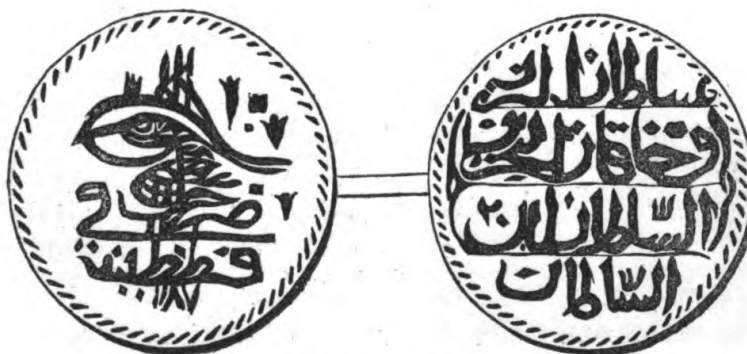
10 Schillings.—16 Cents.



Crown of Bavaria.—\$1.04.



1/2 Rix Dollar.—32 Cents.



Ghersh of Tripoli.—10 Cents.

UNITED STATES, N. A.



Dime.—10 Cents.



1/2 Dime.—5 Cents.



25 Centimes.—8 Cents.



10 Skillings.—6 Cents.

WEST INDIES.

Engraved on wood, from the original Coin, by J. W. ORR, 75 Nassau Street, New York.

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. I.

JUNE, 1847.

NO. XII.

THE MONEY MARKET.

Since the publication of our last number large additions to the specie in the country have been made. The steamer which left Liverpool on the 4th May brought over £200,000, and the packets at New York have since the first of May brought over probably as much more in the aggregate.

In order to make known to our readers the immense drain of specie from Europe to this country, we have obtained official statements of the amount of gold and silver imported *direct from foreign ports into Boston and New York* since 1st January last, as follows :

Imports of Coin, 1847.	At Boston.		At New York. Gold and Silver.
	Gold.	Silver.	
January, 1847,	\$1,955,560	\$39,690	\$57,952
February, 1847,	1,365,399	20,783	1,492,133
March, 1847,	1,533,311	10,385	1,123,076
April, 1847,	1,809,399	11,194	2,816,632
(May, to 21st,)	3,320,635	2,183	1,184,116
	<u>\$9,984,394</u>	<u>\$84,235</u>	<u>\$6,673,909</u>

Of the amount imported into New York \$6,632,714 was in gold, and \$41,195 in silver—making a total at both ports, for four months and twenty-one days, of *gold* \$16,617,108; *silver* \$125,430; *grand total* \$16,742,538.

When we consider that this embraces the entries through the custom houses at two ports only, while considerable arrivals have occurred at New Orleans, Baltimore and Philadelphia within the same period, and that large amounts are brought into the country by emigrants at the various ports, we may safely estimate the addition of coin for the period named, at twenty millions.

This sudden rush of money to the United States may create an equally sudden expansion of loans. This is to be dreaded, for the flow of money like that of water should be slow and uniform. In less than two years the

exchanges may turn against us and a large portion of this new coin be returned to Europe. Such is the excessive tenderness of the money market, that either a sudden rise or a sudden fall is to be dreaded.

This flow of coin from Europe to America will be checked in a great measure while exchange rules at our present quotations, viz. $6\frac{1}{2}$ a $7\frac{1}{2}$.

The official statement of the condition of the banks of the state of New York shows an aggregate amount of specie on hand, on the 1st May, 1847, of \$11,312,000 and of loans \$70,216,000, being an increase since the 1st of February last of \$2,100,000 in specie, and \$6,600,000 in loans. The circulation has increased within the same period \$2,600,000. These facts indicate a large and sudden increase of banking facilities to the people of the state, accompanied by an addition of eight or ten new banks which have commenced or are about to commence operations. Of these there are three in the city of New York and one in Williamsburg.

Our advices from Liverpool are to the 4th May, and they concur in showing increased tightness in the English money market. This will be demonstrated by the following extracts from the circular of Brown, Shipley & Co., Liverpool.

(Per Britannia.)

LIVERPOOL, 3rd May, 1847.

Since the departure of the last steamer, 20th ult., there has been a panic in the money market with a pressure quite unexampled of late years. Higher rates have been paid on discounts of bills than even in 1837 and 1839, and during some days the most undoubted paper could not be discounted on any terms. The apprehended consequences of a continuance of this state of things have been strongly pressed on the government and the Bank of England from various quarters, and though it is understood that the latter has relaxed in some degree and discounted rather more freely the last few days, yet the severity of the pressure is only very partially relieved, notwithstanding the accounts that the Russian government is about to invest upwards of two millions sterling of its gold in the English funds. From the situation of the bank it is evident that it must maintain a very restrictive course, and there seems no reason to look for any thing but the continuance of a very stringent money market and a high rate of interest, at least until we have a pretty satisfactory assurance as to the result of the next harvest.

This panic has of course been severely felt on the cotton trade of the country—causing spinners to continue or extend their system of working short time, until now the consumption is probably reduced to the extent of one-half; and a great degree of gloom prevails throughout the manufacturing districts. Our cotton market has been better sustained than might have been expected (under the influence of the short crop accounts) but has declined $\frac{1}{2}$ d. per lb. The sales for the week ended 30th ult. amounted to 23,800 bales, of which 5,230 were upland at 6 a $6\frac{1}{2}$ —10,400 Orleans at 6 a $7\frac{1}{2}$, with 20 fancy bales at 9 to $9\frac{1}{2}$ —3,420 Alabama and Mobile at $5\frac{1}{2}$ a 7—and 100 Sea Island at 12 a 20d. per lb. About 1,500 bales were taken on speculation during the week. The business on Saturday the 1st inst. was 7,000 bales, and to-day about 4,000 have been sold. Of Saturday's business 3,000 bales were taken on speculation, but the speculative demand has been quite suspended to-day. Fair upland $6\frac{1}{2}$ —fair Mobile $6\frac{1}{2}$ —and fair Orleans $6\frac{1}{2}$ per lb.

Confidence in the corn markets seems to have increased since our last notwithstanding some check and temporary depression from the scarcity of money. Western canal flour declined to 38s. per barrel, but has rallied and is now worth 40s. to 41s., and Philadelphia and Baltimore may be quoted 39s. American wheat 11s. to 12s. per 70 lbs. The supply of Indian corn having been rather beyond the demand it is of rather difficult sale at 49s. to 51s. per quarter, and Indian corn meal may be quoted 26s. per barrel.

Yours, respectfully,

BROWN, SHIPLEY & CO.

Some idea of the extraordinary pressure may be had from one fact stated by Lord Ashburton in debate upon an incidental inquiry as to the views of the government respecting the bank. He stated that bills having the names of *men of the highest credit* had been sold the day previous at the rate of 13 per cent. per annum.

The coin in the Bank of England had been reduced from £11,000,000 on the 27th March to £9,200,000 on the 24th April—within the same period the public and other deposits had been reduced from £17,800,000 to less than £17,000,000.

When we compare this state of things with the condition of the money market only two years since in London, we have just reason to fear that similar causes now existing with us will produce similar results in our own country. The coin in the Bank of England had been reduced in October, 1839, to two and a half millions, and the bank interest raised to 6½ per cent. After that date the coin accumulated rapidly until June, 1845, when it amounted to sixteen and a half millions, and the rate of interest fluctuated during 1843–4 from 1½ to 2 per cent. This abundant supply of money and exceedingly low interest invited customers, induced speculation, and was the immediate cause of the rail road mania of 1845. Such was the general prevalence of this fever that not less than £500,000,000 sterling was subscribed in the single year 1845 towards projected rail road undertakings, besides £60,000,000 for railways in course of execution in Great Britain.

Notwithstanding the fears which exist in the London market, and the fears of many in this country as to a crisis in England, it seems the Bank of England yet holds nine millions of coin, with five per cent. bank rate of interest: while in January, 1842, the amount on hand was only five and a half millions, and the rate of interest at the same time was gradually falling and was in fact reduced to 4½.

There was some inquiry at latest dates for American stocks, and the following were the quotations on 1st May:

New York 5's	88 a	89	Indiana sterling 5's . . .	32½ a	33½
Pennsylvania 6's	65½ a	66	Maryland sterling 5's . . .	68 a	70
Ohio 6's	88 a	87	Mississippi 6's	48	
Massachusetts st'g 5's	101 a	102			

The stricture in the English money market has been somewhat alleviated by the overtures of the Emperor of Russia to invest two millions sterling in the English funds. It is only a few weeks since the Emperor purchased

fifty millions of francs in the French securities: which was an essential relief to the Bank of France. Russia has realized an immense amount of gold from her mines in Siberia. Such is the abundance of gold in the Russian and Siberian mines that it is likely to produce a financial revolution in Europe, similar to that which took place on the discovery of Peru. In the period of the last fourteen years, the produce of the Siberian mines has nearly doubled. Recent accounts state that eleven thousand persons are employed in washing the mineral. From official documents at St. Petersburg we learn that the value of gold extracted from the mines in 1845 was £3,160,000 sterling, and for the five preceding years, an aggregate of £12,792,000 sterling.

The overtures of the Emperor of Russia are probably for the new loan taken by the Barings and the Rothschilds. This new loan was contracted for (for the use of Ireland) on the 1st March by these great capitalists, on the terms of 89½ in cash for £100 stock in consols. The actual rate of interest therefore is £3, 7s. per ct., and much more favorable than the chancellor anticipated. This loan produced at the stock exchange 1½ and 2 premium on the day after the issue, but fell to 1 to 1½ per cent. discount within fifteen days. Messrs. Barings and Rothschilds finding the iron too hot may have looked abroad, say to St. Petersburg, *for a cooler*.

For many years past the London money market has given a tone, if it has not in a large measure controlled, the money market of this country. A scarcity there created an alarm here, and an impending crisis there was a presentiment of evil in Wall street. This is certainly not the case at present. We now see money abundant in Wall street and State street, and seeking temporary or permanent investment at five per cent., while throughout Great Britain and France prime bills are in the market at ten to thirteen per cent. per annum.

"It is said that fortune contributes to every human arrangement some feature that explains and adorns the original design." This observation has been most singularly sustained in the extraordinary combination of circumstances which have accompanied the introduction of the sub-treasury system into this country.

The sub-treasury could not have been introduced at a time more auspicious for its own success than the present. At any ordinary period the absorption by the general government of five or ten millions of coin, and confining it simply to government expenditures, would prove a serious evil—but it now so happens that not only this amount is replaced, but more than replaced, by the imports from abroad. The inconvenience, too, of the sub-treasury was proposed to be reduced by the adoption of treasury notes as a circulating medium between the government and its debtors and creditors. The abundance of money has, however, raised these notes in value, so that they no longer constitute a part of the circulating medium, and they are laid aside by capitalists as permanent investments. The moment they

shall become, by the scarcity of money, below par, they will more freely return upon the treasury.

The terms upon which the recent loan to the United States was contracted, present a strong contrast to the terms under which the government was compelled to borrow money in 1813, '14 and '15; and the present advance to six per cent. premium of the new loan indicates the great confidence among the people as to the security of the loan—for at the same moment the six per cent. bonds of Maryland are worth in the market 89, and the bonds of Kentucky 90.

BANK OF ENGLAND.

	Private securities.	Reserve of notes.	Bullion.	Rate of discount.
Jan. 1	14,654,905	9,437,736	15,066,691	3 per cent.
“ 15	14,464,948	7,471,177	14,308,022	3½ “
“ 22	14,450,711	7,269,311	13,948,681	4 “
Feb. 5	14,106,072	6,432,343	12,901,658	4 “
“ 19	15,071,256	6,575,174	12,299,109	4 “
Mar. 5	15,819,148	6,711,809	12,044,934	4 “
“ 19	17,358,712	6,217,261	11,449,461	4 “
April 2	17,824,355	5,571,258	11,015,583	4 “
“ 9	18,627,116	4,391,470	10,246,410	5 “
“ 16	18,136,377	3,463,628	9,867,053	5 “
“ 23	17,111,001	3,087,056	9,329,841	5 “

THE ENGLISH MONEY MARKET.

From the London Times.

Among the instruments employed by PROVIDENCE to check the aberrations of genius and the extravagance of hope, the daily recurrent question of income and expenditure is not the least powerful. The most unruly spirits are often tamed by the vulgar necessities of physical existence. The first wants of the body are a simple and a peremptory test for the speculations of the mind. Private life exhibits almost too uniform a result when ambition or enthusiasm clash with self-preservation, with the love of ease, or the ordinary cravings of sense. Men who will subject their visionary schemes to no other scrutiny, who repel the intrusion of friends, and shrink from the ordeal of self-examination and conscience itself, are dragged every now and then to the school where necessity, the sternest and kindest of teachers, compels them to count the cost, to strike the balance, to reduce chimeras to their available value, and castles in the air to their original void.

Now, this is very much the office which the annual announcement of the chancellor of the exchequer discharges for the nation. Masses of men, like individuals, are prone to wild desires and excessive expectations. Queen Mab can tickle the fancy both of rulers and people, so that forthwith they begin to dream of boundless aggrandizement, of infinite wealth, of increasing prosperity, of campaigns without reverse, of security without arms, of populousness without want, of splendor without inequality, and abundance without industry or risk. Every now and then the nation goes mad with some gigantic delusion of selfishness, passion, or caprice. But over and above periodical manias and intermittent folly, all states, from the greatest to the least, have their several dreams of pride or of progress. Rome steadily

reckoning on the conquest of the world was only an exaggeration of public ambition. It is as unnecessary as it would be invidious to describe the visions of glory and of power that severally fill the national mind of every European people. The civilization of this quarter of the globe has also its dreams common to all its component states, and distinct from the ideas more natural to the rest of the world. But we will only speak of ourselves. We are apt to imagine this empire steadily marching on to a gigantic development of arts and sciences, of intellect and goodness, of physical discovery, of social regeneration, of order, of wealth and happiness. Certainly there might be a worse dream, but it is nevertheless doomed to disappointment. It is often convicted of error, never more tangibly than when it is annually brought to the rough test of financial results. The reflection is forced on us, that if we cannot make the anticipated progress in these lesser things, what assurance or hope of success have we in the greater?

Ten years since the capital debt of this kingdom, funded and unfunded, was £788,398,570. Since that there have been some considerable fluctuations, and latterly by good management, and by good fortune, it has been reduced to £782,918,984, the amount in 1846. It was something to have arrested that fatal tendency to increase which the national debt of this country had shared with that of all other countries in the world. We might hope for a time when debt should cease. Though a generation had passed away since the debt reached its climax without materially affecting the unparalleled sum, still centuries perhaps were competent to the task. Alas for the vanity of human wishes! In a moment all the ground we had gained is relinquished. One natural disaster, the failure of a root, adds £8,000,000 to the debt, and throws us still farther from the end than we were in 1836. It is true we have labored to keep the peace with all the world; we have compromised our differences, abated our pretensions, swallowed affronts, and allowed ourselves to be slighted and cajoled, all for peace and quiet. We have pursued a rigorous economy and sacrificed the dignity of the throne and the legislature by a series of infinitesimal savings. Vain our precautions. All Ireland is suddenly cast on the bounties of the state. Five million paupers occupy the treasury, tumultuously sack the hoarded thrift of years, and entail in a season of peace the lavish expenditure of war.

The annual comparison of income and expenditure presents the same discouraging result. In 1836 there was a surplus of £2,130,092. For the next six years there was an increasing deficiency, which in 1842 amounted to £3,979,538. Since that the tables have been happily turned. In 1845 the surplus on the year was £3,817,642, and in 1846, notwithstanding the "bold experiments" in reduction of taxes, it was £2,846,308. But what is that to Ireland? It is gone. Not a trace is left behind. We are only too thankful that it was there to stand the first brunt of the famine. What a mercy it is that the potato rot has come in a time of surplus, and not of deficiency, and we have not been burdened above our means! However, that fund is clean vanished. The chancellor of the exchequer is already in the market for a loan; and after a surplus averaging nearly £3,000,000 a year for four years, the chancellor of the exchequer cannot encourage us to hope for one on the ensuing twelvemonth of more than a few odd thousands.

The balances in the exchequer are a matter of convenience and of credit. A government compelled to meet every sudden draw on its resources with a fresh issue of bills must needs be at the mercy of the market, and may sometimes find itself borrowing at a great disadvantage, besides inflicting serious injury on the holders of existent bills. These balances dropped down from £6,049,372 in 1836 to the almost nominal sum of £1,390,059 in the often and ill mentioned year 1842. From that date, as it were by a vigorous

effort, they have been pulled up to £9,131,282 in 1846. That balance is to be kept sacred for extraordinary demands. The expenditure we must reckon upon is to be met by a loan. The balance in the exchequer is reserved for expenses yet unseen. But when the £8,000,000 are gone under the labor rate and relief acts, what is there for the land improvement act, and other probable drains, but this cherished balance in the exchequer? Here, then, we have attained a climax, and henceforth we must descend.

In the course of the eleven years from 1836 to 1846 inclusive, taxes to the amount of more than £10,000,000, pressing particularly on industry or the general consumption, have been repealed. In one year alone—the memorable year 1845—nearly half that sum was struck at a blow from the national burdens. The present year has been confidently looked forward to by many as the expected epoch of a similar fiscal emancipation. Public opinion had already marked out the boon. But it cannot be. With Ireland converted into one vast pauper colony, with pauper landlords, pauper farmers, pauper peasants, all hanging on the treasury, there can be no more thought of remission. The working men of England must bear with their taxes. It stands to reason that they must. How else can they feed all Ireland, which they know they have to do?

Such, then, is our actual progress. Of eleven years we cannot give a better account than that we are much where we were at the beginning; if anything, with a rather worse prospect before us.

STOCK INVESTMENTS.

From a New York Correspondent.

In the annexed stock list you will find the value of each stock at different periods so as to yield 6 per ct. until redeemed. If you think that it would be interesting to add that value to your monthly quotations, as a guide for the speculator, or capitalist; I will send you a list of the values on the 1st June, July, August, &c. In that value the interest accrued at the time of purchase is taken into consideration.

I have another calculation which would prove useful, in showing the per centage produced on a purchase at any given price, and might attract attention if you gave a monthly list of sales of state stocks in our market with the above information.

Let us suppose that on the 15th May, the following sales were made, viz.

U. S. 6 per ct. of 1862, at 107 00 (redeemed in 16½ years.)
4½ months interest or 2 25 having accrued, the cost

is reduced to 104 75 which is equal to an investment at 5.563 per ct.

Again, 5 per ct. City Water Stock, of 1860, 13 years to run, at 92½, interest payable quarterly, yields 5.994 per ct.

My system has been thoroughly examined, by several competent persons and you can therefore rely upon its correctness. I have avoided two great errors in Mr. Price's tables: 1st. the interest I always deem to be reinvested at 6 per ct., and to accumulate every 6 months.

If a person were to buy stock, to yield 10 per ct. at the rate indicated by Mr. Price's tables, it would be necessary that he should always reinvest the dividends at 10 per ct. which is impossible, otherwise the result would turn out different.

2d. His tables show a 6 per ct. stock purchased at par, to yield more than 6 per ct., because he accumulates once a year. My tables enable a speculator to make a close comparison with every kind of investment, in stocks as well as on bond and mortgage.

State and City Stocks June 1st, 1847.				State and City Stocks, June 1st, 1847.			
U. S. Loan, 6 per ct. $\frac{1}{2}$	1862 & 1856	102	50	N. Y. State 5 per ct.	1851	97	80
Do. 5 "	$\frac{1}{2}$ 1853	97	05	Do. 5 "	1853	95	67
N. Y. State 7 "	1848	102	28	Do. 5 "	1858	93	13
Do. 7 "	1849	103	22	Do. 5 "	1859	92	66
Do. 6 "	1854	101	28	Do. 5 "	1860	92	21
Do. 6 "	1860	101	42	Do. 5 "	1862	91	42
Do. 6 "	1861	101	45	Do. 4 $\frac{1}{2}$ "	1849	97	30
Do. 6 "	$\frac{1}{2}$ 1861	102	50	Do. 4 $\frac{1}{2}$ "	1858	88	64
Do. 6 "	1862	101	46	Do. 4 $\frac{1}{2}$ "	1859	88	29
Do. 6 "	1867	102	50	Do. 4 $\frac{1}{2}$ "	1864	85	50
Do. 5 $\frac{1}{2}$ "	1860	96	86	City 7 "	1852	104	83
Do. 5 $\frac{1}{2}$ "	$\frac{1}{2}$ 1860	97	79	Do. 7 "	1857	108	24
Do. 5 $\frac{1}{2}$ "	1861	96	71	Do. 5 "	1850	98	16
Do. 5 $\frac{1}{2}$ "	$\frac{1}{2}$ 1861	97	69	Do. 5 "	1856	94	14
Do. 5 $\frac{1}{2}$ "	1865	95	92	Do. W. L'n. 5 p. c.	1848	92	97
Do. 5 "	1848	100	36	Do. " 5 "	1860	92	01
Do. 5 "	1849	99	00	Do. " 5 "	1870	88	40
Do. 5 "	1850	98	12	Do. Fire L'n. 5 "	1868	89	53

N. B. The present value, to yield 6 per ct., includes the interest accrued since the last payment. The interest on State Stocks marked $\frac{1}{2}$, is payable semi-annually—on the others, quarterly.

BANK STATISTICS.

Comparative View of the Condition of the Banks of the State of New York at four different periods.

<i>Liabilities</i>	Nov. 1, 1845.	May 1, 1846.	Feb. 1, 1847.	May 1, 1847.
Capital.....	\$ 42,845,428	\$ 42,829,014	\$ 42,735,337	\$ 43,176,198
Profits undivided.....	5,018,043	5,115,450	5,333,757	5,641,560
Circulation (old).....	881,404	824,506	766,277	754,005
Do. registered.....	20,493,965	19,991,986	20,202,488	23,055,546
Due treasurer of the state	631,063	291,964	371,833	296,401
Due canal fund.....	1,581,330	354,364	911,680	534,822
Due depositors on demand	31,773,991	31,720,750	31,830,595	35,799,954
Special deposits.....	759,259		607,029	1,011,522
Bank balances.....	12,829,854	11,823,784	15,097,808	18,831,900
Due treasurer U. S.....	3,002,649	3,493,622	342,766	178,517
Miscellaneous.....	585,011	549,553	556,765	676,170
Total Liabilities.....	\$ 120,401,997	\$ 116,994,993	\$ 118,756,335	\$ 129,956,862
<i>Resources.</i>				
Loans and discounts.....	\$ 69,164,861	\$ 66,807,739	\$ 64,240,213	\$ 70,216,117
Loans to directors.....	4,157,716	4,876,216	4,672,973	4,806,415
Loans to brokers.....	1,457,858	907,476	893,172	1,666,021
Real estate.....	3,645,684	3,515,963	3,590,819	3,531,016
Bonds and mortgages....	3,181,746	3,033,610	3,628,246	2,745,020
Stocks, &c.....	10,962,822	10,989,417	10,222,687	11,652,804
Due from directors.....	33,298	37,403	49,528	49,025
Due from brokers.....	363,278	417,200	546,993	221,054
Bank fund.....	236,268	172,944	172,540	175,802
Loss and expense account	425,584	383,821	277,336	274,121
Overdrafts.....	133,242	134,722	109,623	111,856
Specie.....	8,884,545	8,171,624	9,191,254	11,312,171
Cash items.....	5,947,585	5,839,700	7,552,068	8,793,286
Notes of solvent banks...	2,258,862	2,851,351	2,602,749	2,511,920
Notes of suspended banks	14,482	5,162	3,717	3,301
Bank balances.....	9,533,605	8,850,645	11,102,397	11,886,434
Add for cents.....	561		570	265
Total Resources.....	\$ 120,401,997	\$ 116,994,993	\$ 118,756,335	\$ 129,956,862

LITERARY PURSUITS OF MERCHANTS.

Pursuits of Knowledge and Business united—Scientific and Literary Pursuits of Men of Business.

From the Publications of the Society for the Diffusion of Useful Knowledge.

We shall find that the cares of ordinary business have also left time to many to earn distinction by their learning and their writings, as well as the toils and anxieties of state affairs. Perhaps the earliest literary merchant we have on record is the celebrated Athenian lawgiver, SOLON. Although descended from one of the most distinguished families in Athens, Solon found himself obliged, on setting out in life, to attempt the re-establishment of the decayed fortunes of his house by engaging in foreign commerce. After the manner customary in those days, he proceeded in person to distant countries along with the goods which he had to dispose of. To a mind such as his, however, the opportunities of an occupation of this kind were invaluable. He returned to his native country not only enriched by the success of speculations, but fraught with all the learning and philosophy of the countries in which civilization had then made the greatest progress; and fitted to inform and control his fellow-citizens by the lessons of a new wisdom, made attractive by the charms of eloquence and poetry. He had sought, in the course of his travels, still more anxiously for knowledge than for wealth, and he had found both in abundance. When he re-appeared in his native country, his fame had preceded him, and he was welcomed by all ranks as the fittest person to assume the government and regulation of the state. He accepted the call, and distinguished himself by the wise laws which he established, and the admirable ability and rectitude of his administration. But his love of literature and philosophic speculation still clung to him; and after the usurpation of Pisistratus had overturned the system of good government which he had reared, and the folly and ingratitude of his fellow-citizens compelled him to withdraw from Athens, we are told that he employed his old age in finishing some of his poetical compositions, especially his great work entitled "Atlantis," which unfortunately has not come down to us. Solon's fame, however, both as a poet and an orator, long survived among his countrymen, and some fragments of his poetry are still extant.

A French merchant, M. GUYS, has in modern times distinguished himself by his learned researches touching the geography and history of the country of Solon. Guys had spent the early part of his commercial life in Turkey, and it was while residing there that he conceived the idea of availing himself of the many opportunities his situation afforded him, to compare the existing condition of Greece, and the manners of its inhabitants, with the accounts handed down to us by the classic authors, of its ancient state. His object was to ascertain what traces of the old times were still to be found, either in the character and habits of the people themselves, or in the natural aspect and architectural monuments of the country. For this purpose, we are told, he repeatedly travelled over both the Morea and the islands of the Archipelago, with Homer and Pausanias in his hand, everywhere comparing what he observed with their descriptions and those of other ancient authorities. Not satisfied with this anxious investigation of his subject, he did not venture to commence the preparation of his projected work until he had, by long practice, obtained so much skill in the art of composition as gave him reason to hope that he should be able to make it, in all respects, worthy of the acceptance of the public. Keeping his materials by him for some years, he em-

braced several opportunities of exercising his pen upon lighter topics, producing, among other pieces, a discourse on the "Utility of Literary and Scientific Accomplishments to a Commercial Man," which he read before the Academy of Marseilles, where he now carried on business. At last he published, in 1772, his great work, under the title of "Literary Travels in Greece," which immediately procured for him a distinguished reputation as a man of letters. The Greeks themselves, in particular, were so much flattered by the learning and talent which he had brought to the illustration of their usages and antiquities, that they sent him a diploma, creating him a citizen of Athens.

We will only mention further, under this head, the late Mr. RICARDO. This gentleman, in the course of not a long life, for he died at the age of fifty-one, amassed a large fortune by his mercantile skill, activity, and attention to business, after having begun the world with little except a character for integrity and talent, and secured for himself not merely a respectable reputation as a writer, but, in the important science to which he devoted himself, a place among the very first of his age. As we cannot here enter upon any examination of his peculiar doctrines, we express no opinion respecting the extent to which they may be well founded or may require limitation. But, whatever difference of sentiment may exist as to this point, there can be none as to the ability and ingenuity which their author always displays in unfolding and supporting them, and that originality of view which marks all his works, and has placed him at the head of a new and distinct school of inquirers in this department of philosophy. It has been said that Mr. Ricardo's attention was not directed to political economy till somewhat late in life. Be this, however, as it may, he did not appear as an author till 1809, when he published his pamphlet entitled "The High Price of Bullion, a proof of the depreciation of Bank Notes," which immediately excited general attention, and went eventually through four editions. He was at this time in the thirty-seventh year of his age, and, we believe, actively engaged in the pursuits of business. He continued to write, and give to the world a succession of productions on his favorite subject, till his death in 1823. His great work, "The Principles of Political Economy and Taxation," appeared in 1817, two years after which time he was returned to parliament, where he greatly distinguished himself, especially in all discussions relating to finance and commerce.

If the distractions of business or of professional duty are to be deemed an insurmountable bar to the cultivation of science or literature, what annoyances or interruptions of this description shall seem more unfavorable for such an attempt than those which beset the rude and unsettled life of a seaman or a soldier! Yet it has been in the midst of these that some of the persons whose names are most distinguished in the annals of literature and philosophy have begun their career. The great DES CARTES entered the army, in obedience to the wishes of his family, at the age of twenty, and served first with the troops of the Prince of Orange, and afterward with those of Maximilian of Bavaria. With the latter prince he was present at the battle of Prague, in 1620, when Maximilian, acting in concert with the emperor, Ferdinand II, obtained a signal victory over the elector palatine, Frederic. During his military life, however, Des Cartes never neglected his philosophical studies, of which he gave a striking proof on one occasion while he was in the service of the Prince of Orange. He happened to be in garrison with his regiment at the town of Breda, in the Netherlands, when, walking out one morning, he observed a crowd of people assembled around a placard or advertisement which was stuck up on the wall. Finding that it was written in the Dutch language, which he did not understand (for he

was a native of Touraine, in France,) he inquired of a person whom he saw reading it what it meant. The individual to whom he addressed his inquiries happened to be the principal of the university of Dort, a man of distinguished mathematical attainments; and it was with something of a sneer that he informed the young officer, in reply to his question, that the paper contained the announcement of a difficult geometrical problem; of which the proposer challenged the most able men of the city to attempt the solution. Not repulsed, however, by the tone and manner of the learned professor, Des Cartes requested to be favored with a translation of the placard, which he had no sooner received than he calmly remarked that he thought he should be able to answer the challenge. Accordingly, next day he presented himself again before Beckman (that was the name of the professor) with a complete solution of the problem, greatly to the astonishment of that distinguished person, who had probably never before dreamed of the possibility of so much learning being found beyond the walls of a university.

GEORGE BUCHANAN, one of the most elegant scholars and writers that modern times have produced, was another illustrious example of how little it is in the power of the most unquiet and disjointed times, or the most adverse fortunes, to interrupt the intellectual pursuits of a mind really in love with knowledge. Scarcely any part of Buchanan's long life was passed either in leisure or tranquillity. He was born of poor parents, and was sent to the university of Paris to be educated at the expense of an uncle, whose death, however, after some time, left him in such a state of destitution, that, in order to get back to his native country, he was obliged to enter himself as a private in a corps which was leaving France to serve in Scotland, as auxiliaries to the Duke of Albany. It would detain us too long to attempt any sketch of the remainder of a life, of whose many troubles this was only the commencement. Although in point of learning and genius, confessedly without a rival among his countrymen, and even acknowledged by all Europe as the chief of the poets and eloquent writers of his day, it is melancholy to think that, amid the civil discords of those unhappy times, his portion was little else than poverty, persecution, imprisonment, and exile. But his own mind was to him a kingdom, of which the world's unkindness could not deprive him, and in which he found, doubtless, under all he had to suffer, his sufficient consolation. He took refuge in literary labor from the cruel fortunes that pursued him. We know that it was in a Portuguese dungeon that he composed his celebrated Latin version of the Psalms. He had just carried through the press his great work, the History of Scotland, when he died at the age of seventy-six, being at the time in such a state of indigence, that, when he felt his end approaching, having inquired of his servant how much money he had remaining, and finding that there was not enough for the expenses of his funeral, he ordered the whole to be given to the poor. He was accordingly buried at the cost of the city of Edinburgh.

Even still more crowded with disasters is the history of the renowned CERVANTES, whose admirable Don Quixote ranks so high among the glories of modern literature. Cervantes, too, commenced life as a soldier, lost his left hand in battle, and was afterwards detained for five years in captivity at Algiers. Even after he had recovered his liberty, and had returned to his native country, he was again in a short time thrown into confinement by an unjust decision of the courts, in a cause in which he was implicated; and it was while he lay in prison that he wrote the first part of Don Quixote. He was, soon after the publication of this work, once more restored to freedom; but, although he afterward produced various other literary performances, he never succeeded in raising himself above the necessitous circum-

stances in which his early misfortunes had involved him. The dedication of the last work he gave to the world is dated only four days before his death, and in it he mentions, with great calmness, his approaching dissolution.

COLUMBUS himself, one of the greatest men that ever lived, if it be grand ideas, gradually realized, that constitute greatness, while leading the life of a seaman, not only pursued assiduously the studies more particularly relating to his profession, rendering himself the most accomplished geographer and astronomer of his time, but kept up that acquaintance which he had begun at school with the different branches of elegant literature. We are told that he was even wont to amuse himself by the composition of Latin verses. It was at sea, too, that Cook acquired for himself those high scientific, and, we may even add, literary accomplishments of which he showed himself to be possessed. The parents of this celebrated navigator were poor peasants, and all the school education he ever had was a little reading, writing and arithmetic, for which he was indebted to the liberality of a gentleman in the neighborhood. He was apprenticed, at the age of thirteen, to a shopkeeper in the small town of Snaith, near Newcastle, and it was while in this situation that he was first seized with a passion for the sea. After some time he prevailed upon his master to give up his indentures, and entered as one of the crew of a coasting vessel engaged in the coal trade. He continued in this service till he had reached his twenty-seventh year, when he exchanged it for that of the navy, in which he soon distinguished himself so greatly, that he was three or four years after appointed master of the *Mercury*, which belonged to a squadron then proceeding to attack Quebec. Here he first showed the proficiency he had already made in the scientific part of his profession, by an admirable chart which he constructed and published of the river St. Lawrence. He felt, however, the disadvantages of his ignorance of mathematics; and, while still assisting in the hostile operations carrying on against the French on the coast of North America, he applied himself to the study of Euclid's *Elements*, which he soon mastered, and then began that of astronomy.

That man was never truly happy—happy upon reflection, and while looking to the past or the future—who could not say to himself that he had made something of the faculties God had given him, and had not lived altogether without progression, like one of the inferior animals. We do not speak of mere wealth or station; these are comparatively nothing; are as often missed as attained, even by those who best merit them; and do not of themselves constitute happiness when they are possessed. But there must be some consciousness of an intellectual or moral progress, or there can be no satisfaction; no self-congratulation on reviewing what of life may be already gone; no hope in the prospect of what is yet to come. All men feel this, and feel it strongly; and if they could secure for themselves the source of happiness in question by a wish, would avail themselves of the privilege with sufficient alacrity. Nobody would pass his life in ignorance, if knowledge might be had by merely looking up to the clouds for it: it is the labor necessary for its acquirement that frightens them; and this labor they have not resolution to encounter. Yet it is, in truth, from the exertion by which it must be obtained, that knowledge derives at least half its value; for to this entirely we owe the sense of merit in ourselves which the acquisition brings along with it; and hence no little of the happiness of which we have just described its possession to be the source: besides that, the labor itself soon becomes an enjoyment.

The cultivation of science and literature has often been united with the most active and successful pursuit of business, and with the duties of the

most laborious professions. It has been said of Cicerō, that "no man whose life had been wholly spent in study, ever left more numerous or more valuable fruits of his learning in every branch of science and the polite arts; in oratory, poetry, philosophy, law, history, criticism, politics, ethics: in each of which he equalled the greatest masters of his time; in some of them excelled all men of all times. His remaining works, as voluminous as they appear, are but a small part of what he really published. His industry was incredible, beyond the example or even conception of our days: this was the secret by which he performed such wonders, and reconciled perpetual study with perpetual affairs. He suffered no part of his leisure to be idle, or the least interval of it to be lost." These are the words of his learned and eloquent biographer, Dr. Middleton. He says himself in one of his orations, "What others give to their own affairs, to the public shows and other entertainments, to festivity, to amusement, nay, even to mental and bodily rest, I give to study and philosophy." He tells us, too, in his letters, that on days of business, when he had anything particular to compose, he had no other time for meditating but when he was taking a few turns in his walks, where he used to dictate his thoughts to his amanuenses, or scribes, who attended him. His letters afford us, indeed, in every way, the most remarkable evidence of the active habits of his life. Those that have come down to us are all written after he was forty years old; and although many, of course, are lost, they amount in number to about a thousand. "We find many of them," says Middleton, "dated before daylight; some from the senate, others from his meals and the crowd of his morning levee." "For me," he himself exclaims, addressing one of his friends, "even my leisure hours have their occupation."

In modern times the celebrated Sir WILLIAM JONES afforded the world, in this respect, a like example. We have already mentioned his wonderful attainments in languages. All his philosophical and literary studies were carried on among the duties of a toilsome profession, which he was, nevertheless, so far from neglecting, that his attention to all its demands upon his time and faculties constitute one of the most remarkable of his claims to our admiration. But he was from his boyhood a miracle of industry, and showed, even in earliest years, how intensely his soul glowed with the love of knowledge. He used to relate that, when he was only three or four years of age, if he applied to his mother, a woman of uncommon intelligence and acquirements, for information upon any subject, her constant answer to him was, "Read, and you will know." He thus acquired a passion for books, which only grew in strength with increasing years. Even at school his voluntary exertions exceeded in amount his prescribed tasks; and Dr. Thackeray, one of his masters, was wont to say of him, that he was a boy of so active a mind, that if he were left naked and friendless on Salisbury Plain, he would, nevertheless, find the road to fame and riches. At this time he was frequently in the habit of devoting whole nights to study, when he would generally take coffee or tea to keep off sleep. He had, even already, merely to divert his leisure, commenced the study of the law; and it is related that he would often amuse and surprise his mother's legal acquaintances, by putting cases to them from an abridgment of Coke's Institutes, which he had read and mastered. In after life his maxim was never to neglect any opportunity of improvement which presented itself. In conformity with this rule, while making the most wonderful exertions in the study of Greek, Latin, and the oriental languages at Oxford, he took advantage of the vacations to learn riding and fencing, and to read all the best authors in Italian, Spanish, Portuguese, and French; thus, to transcribe an observation of his own, "with the fortune of a peasant, giving himself the

education of a prince." In the same spirit, while tutor, some time after this, in the family of Lord Spencer, he embraced an opportunity of accomplishing himself in dancing and the use of the broadsword, and of learning the German language, music, and the art of playing on the Welsh harp, the instrument of his country. It was while residing in the Temple, and busily engaged in the study of the law, that, besides continuing his oriental studies with great zeal, he found time to compose and prepare for the press a translation of the speeches of the Greek orator Isæus, and a volume of poems. Yet he was, at this very time, both reading and writing elaborately on subjects of law and jurisprudence; an evidence of his proficiency in which he gave to the world a few years after, in his learned treatise on the law of bailments. He found leisure, too, in the midst of all these professional and literary occupations, to attend Dr. William Hunter's lectures on anatomy, and to prosecute the study of mathematics so far as to be able to read Newton's *Principia*.

It was by the persevering observance of a few simple maxims that Sir William Jones was principally enabled to accomplish what he did. One of these, as we have already mentioned, was never to neglect an opportunity of improvement: another was, that whatever had been attained was attainable by him, and that, therefore, the real or supposed difficulties of any pursuit formed no reason why he should not engage in it, and with perfect confidence of success. "It was also," Lord Teignmouth tells us, "a fixed principle with him, from which he never voluntarily deviated, not to be deterred, by any difficulties which were surmountable, from prosecuting to a successful termination what he had once deliberately undertaken." "But what appears to me," adds his biographer, "more particularly to have enabled him to employ his talents so much to his own and the public advantage, was the regular allotment of his time to particular occupations, and a scrupulous adherence to the distribution which he had fixed: hence all his studies were pursued without interruption or confusion. Nor can I omit remarking the candor and complacency with which he gave his attention to all persons, of whatever quality, talents, or education: he justly concluded that curious or important information might be gained even from the illiterate; and, wherever it was to be obtained, he sought and seized it." By these methods it was that he accumulated that vast mass of knowledge, and enabled himself to accomplish those profound and extended labors, which remain, even now that he is dead, for the benefit of us who yet live, and of those who are to come after us. This is truly to make a short life long; to exist, in spite of death, for unnumbered generations."

There is no greater name among those of the statesmen of France than that of the celebrated Duke of SULLY, the writer of the well-known memoirs, as well as of a variety of other works; and equally distinguished as a soldier, a financier, and an author. This great man used to find time for the multiplied avocations of every day by the most undeviating economy in the distribution of his hours. He rose all the year round at four o'clock in the morning, and was always ready to appear at the council by seven. His hour of dining was at noon, after which he gave audience to all, without distinction, who sought to be admitted to him. The business of the day was always finished in this way before supper, and at ten he regularly retired to bed. Sully's illustrious countryman and contemporary, the president DE THOU, affords us another instance of the same sort. During the greater part of his life, De Thou was actively employed, in one capacity or another, in the management of affairs of state; and yet he found time to write one of the greatest and most elaborate historical works in existence, his celebrated "History of his own Times," extending to one hundred and thirty-eight

books, in Latin, besides various poetical pieces in the same language. None were ever more mixed up with the political transactions of their times, or led busier lives, from their earliest years, than Sir THOMAS MORE, the great BACON, and Lord CLARENDON. And yet these are three of the most eminent writers in our language; and the works of the two latter, particularly, are of considerable extent. We may add to the list the names of JOHN SELDEN and Sir MATTHEW HALE. Both were public men, and necessarily involved in the ceaseless political convulsions of one of the stormiest periods of English history; yet they were two of the most distinguished luminaries both of the law and the literature of their day. Selden's works, embracing many subjects of history, political controversy, and sacred, classical, and English antiquities, have been collected in three large volumes folio. Those of Sir Matthew Hale are also very numerous; and relate to history, divinity, mathematics, and natural philosophy, as well as to several of the most important departments of the learning of his profession. He is said, during many years of his life, to have studied sixteen hours every day. Selden is called *the glory of England* by his contemporary, the celebrated Dutch scholar GROTIUS (or Groot,) who was himself one of the most remarkable instances on record of the success with which the cultivation of general literature may be carried on, together with legal and political studies, and even amid the toils and distractions of a public life of unusual bustle and vicissitude. From his sixteenth year, when he first appeared at the bar till that of his death, at the age of sixty-two, Grotius was scarcely ever released from the burden of political employment, except while he lay in prison, or, altogether exiled from his country, wandered about, from one foreign land to another, in search of a temporary home. Yet, even in these seemingly most unpropitious circumstances, he produced a succession of works, the very titles of which it would require several pages to enumerate, all displaying profound erudition, and not a few of them ranking to this day with the very best, or as the very best that have been written on the subjects to which they relate.

He occupies a prominent place in the poetry of his native language, and a high one among modern Greek and Latin poets. His critical labors in reference to the classical authors of antiquity are immense. In history, besides several other works, he has written one entitled "*The Annals of Belgium*," in eighteen books. Of a variety of theological productions we may mention only his celebrated "*Treatise on the Truth of Christianity*," one of the most popular books ever written, and which has been translated, not only into almost every language of modern Europe, but even into Greek, Arabic, Persian, and several of the tongues of India. Finally, not to mention his other works in the same department, by his famous treatise on international law, entitled "*On the Law of War and of Peace*," he has established for himself an immortal reputation in jurisprudence, not in his own country merely, but over all Europe, in every part of which the work was received, on its first appearance, with universal admiration, translated, commented upon, and employed as a text-book by all lecturers on the subject of which it treats. This work was written while Grotius resided in France, after making his escape from the castle of Louvenstein by a memorable stratagem. Having, in the religious disputes which then agitated Holland, taken the side of the Arminians in opposition to the Calvinists, when the latter obtained the ascendancy, he was put on his trial, convicted of treason, and sentenced to the confiscation of all his property, and imprisonment for life. As some mitigation, however, of so hard a doom, it was permitted that his wife should share his fate; and that excellent and heroic woman accordingly took up her abode with her husband in the fortress we have named, where they remained together nearly two years. At last, however, Grotius re-

solved to brave the hazards of a plan of escape, which had been some time before suggested by his wife. He had been in the habit of borrowing books from some of his friends in the neighboring town of Gorcum, and these were always brought to him in a large chest, which was in like manner employed to convey them back when he had read or consulted them. This chest had at first been regularly searched as it was carried into and brought back from the apartment of the prisoner; but, after some time, its appearance on its customary service became so familiar to the guards, that their suspicions were lulled, and it was allowed to pass without notice. A day, therefore, having been chosen when it was known that the commandant was to be absent, Madame Grotius informed the commandant's wife, who was left in charge of the place, that she meant to send away all her husband's books, to prevent him from injuring his health by study, and requested that two soldiers might be allowed her to remove the load. In the mean time Grotius had taken his place in the chest, in the top of which small holes had been made for the admission of air. Upon lifting it from the ground, one of the soldiers, struck with its weight, jestingly remarked that there must be an Arminian in it. "There are Arminian books in it," replied the wife of Grotius, with great presence of mind; and, without saying anything more, they took it on their shoulders, and carried it down a ladder which led from the apartment. It would appear, however, that their suspicions had been again awakened; for it is said, that before they had proceeded much farther, the men resolved to mention the circumstance of its uncommon weight to the commandant's wife; but she, misled by what had been told her, ordered them to carry it away. It had been contrived to have a trusty female servant in waiting to accompany the chest to its place of destination, and under her care it was safely deposited in the house of a friend at Gorcum, when the illustrious prisoner was, of course, speedily released from durance. A good deal of management was still necessary to enable him to effect his escape from the town. It is gratifying to have to add, that his wife, who, as soon as she understood that her husband was safe, confessed what she had done, although at first detained in close custody, was liberated on petitioning the states-general about a fortnight after.

Biography abounds, in truth, with examples of the union of the pursuits of literature and science with those of every department of active life. The most elegant of the writers of ancient Rome was also the most renowned of her warriors. It was amid the hurry and toils of his campaigns, that JULIUS CÆSAR is said to have written those *commentaries*, or memoirs of his military exploits, which have immortalized his name more than all his victories, and thus amply justified the anxiety he is recorded to have shown to preserve the work, when, being obliged to throw himself from his ship in the bay of Alexandria, and swim for his life, he made his way to the shore with his arms in one hand, holding his commentaries with his teeth. Cæsar distinguished himself also as a writer on grammar, astronomy, history, and a variety of other subjects; he was universally accounted one of the most learned scholars, as well as greatest orators, of his age; and the time may come when mankind shall be ashamed of ever having admired in any other capacity so great a scourge of the species. Yet this man's life was spent either in the field, or among political convulsions at home, almost from his boyhood. If he found time and tranquillity for the cultivation of letters, who is there that might not? Cæsar had to struggle, too, all his life with the weakness and depression of bodily disease. Plutarch says he slept most commonly in his chariot or his litter, but employed the very hours of rest in the designs of action.

GREAT BRITAIN.

HOUSE OF LORDS.

The persons who compose the house of lords form a separate class or rank, which is called collectively the peerage, whose members enjoy certain exclusive privileges and honors. The members of the house of lords are either lords spiritual or temporal. The spiritual lords are archbishops and bishops, and hold their seats for life in virtue of their ecclesiastical office; the temporal lords enjoy their seats from hereditary right, or in virtue of being elevated to the peerage. In 1837, at the meeting of the first parliament of queen Victoria, the number of members of the house of lords was 641; namely, 3 princes of the blood royal, 2 English archbishops, 21 dukes, 19 marquises, 112 earls, 19 viscounts, 24 English bishops, 6 Irish prelates, 193 barons, 16 representative peers of Scotland, and 28 representative peers of Ireland. The house of lords is liable at all times to an increase of number by the elevation of commoners to the peerage; but this prerogative of the crown is sparingly used.

THE HOUSE OF COMMONS.

This body consists of 658 members; of whom 253 are chosen by counties, 6 by universities, and 399 by cities, boroughs, and towns. England returns 471, Wales 29, Ireland 105, and Scotland 53. The number of persons entitled to vote in the election of these members is probably about a million; of whom about 600,000 vote for county members, 5000 for representatives of universities, and 400,000 for members for cities, boroughs and towns. The great bulk of the voters, as settled by the reform acts of 1832, is composed of the agricultural tenantry and the occupants of houses of £10 of yearly rent; in other words, the middle classes. The operative classes, from their not in general inhabiting houses of such value, possess little direct influence in the election of members of the house of commons. A house of commons cannot legally exist for more than seven years; but, in reality, it rarely exists so long; the death of the sovereign, change of ministry, and other circumstances, causing a renewal on an average every three or four years. Reckoning from 1802 till November 15, 1837, there were thirteen houses of commons; as the thirteenth still exists (January 1841,) we have an average of three years for each; those of longest duration were the fourth, from 1807 to 1812 and the fifth, from 1812 to 1818.

The houses of lords and commons compose the *parliament*. The parliaments of England and Scotland were united in 1707, and then called the British Parliament. In 1800, the Irish Parliament merged in the British Parliament. The three kingdoms were first represented in one parliament in 1801. Since that period it has been called the *Imperial Parliament*, and is always convened at Westminster.

FINANCES.

Revenue.—The revenue of the British empire has varied exceedingly of late years; from 1761 to 1774, which was a period of peace, it increased from £8,800,000 to £10,285,673; and since that time, from the various wars in which the country was engaged, the immediate expenses, and the interest of public debts, it has continued to augment till within these last ten or twelve years. From 1775 to 1783, which was the period of the American war, it rose from ten millions to twelve millions; and during the peace

which followed till 1793, it was increased to seventeen and a half millions a year.

After this period the French revolutionary war commenced. That war was by no means unpopular with the nation; and it was besides gilded by the many splendid victories which continued to be obtained by British seamen as long as the enemy had a fleet to appear at sea. Heavy taxes for defraying the expenses of this war were therefore submitted to without remonstrance, and the public revenue rose accordingly to a very large amount. From 1794 to the peace of Amiens in 1801, which only lasted two years, the revenue was increased from seventeen and a half millions to twenty-eight millions: and from 1803 till 1816, the year after the final conclusion of peace, it had risen to £76,834,494, which was the largest sum raised by taxes in one year.

The sums thus raised in taxes, large as they were, did not, however, meet the expenditure of the country during these periods of war. In order to defray the great charges which arose, it became necessary also to borrow to a great amount. The following table will show the sums raised by the taxes, the sums borrowed, and the total expenditure for each of the years specified.

Year.	Raised in Taxes.	Borrowed.	Total Expenditure.
1794	£17,674,395	£5,079,971	£22,754,366
1801	28,085,829	33,532,159	61,617,988
1803	38,401,738	23,972,742	62,373,480
1806	53,698,124	22,358,672	76,056,796
1810	66,029,349	22,763,202	88,792,551
1814	70,926,215	52,309,445	122,235,660
1816	76,834,494	54,471,464	130,305,958

These sums will appear altogether enormous, and must give the most extraordinary idea of the resources of a government, which, while it raised such a large yearly amount in taxes, had yet credit to borrow the immense additional sums which were wanted. The whole sum which was expended in the wars of the revolution, from 1794 to 1816, amounted to 1700 millions of pounds sterling—a sum so far beyond all ordinary dealings, that we can have little conception of its amount or value. All the mines that are at present wrought in Europe and America would not furnish gold and silver equal to it in less than 310 years.

The debt formed by borrowing money at different rates of interest, to conduct the warlike operations of the country, has risen from small beginnings towards the conclusion of the seventeenth century, to an unparalleled amount. At the revolution of 1688, the national debt amounted to only £664,263; at the accession of Queen Anne, £16,394,702; of George I, £54,145,363; of George II, £52,092,235; at the end of the Spanish war in 1748, £78,293,312; at the commencement of war in 1755, £74,571,840; at the conclusion of peace in 1762, £146,682,844; at commencement of American war in 1776, £135,943,051; at conclusion of peace in 1783, £238,484,870; at commencement of French revolutionary war, £233,733,609; at peace of Amiens in 1801, £582,839,277; at peace of (February 1,) 1816, £864,822,461; on the 5th of January, 1832, £782,667,234—interest, £28,341,416. After 1832, the debt was increased, chiefly by the funding of exchequer bills (adding floating obligations to funded stock,) and in 1839, the amount was £841,000,000, with an interest of £29,000,000.

The revenue which it is necessary to raise for the purpose of paying the interest of the debt, and conducting the business of the country, is derived from taxation upon a great variety of different articles, which are all, however, reduced to the following heads:

1. *The Customs*.—These are taxes levied upon the foreign commerce of the country, being the duties paid upon articles imported from abroad, such as tea, sugar, coffee, spirits, wines, tobacco, &c. They include also a few on some goods exported, such as coals, wool, and skins. Their whole amount, in the year ending October 10, 1840, was £20,152,739.

2. *The Excise*.—The excise taxes are those which are levied on goods of British manufacture, such as glass, malt, paper, &c. The duty is paid back again to the maker, if the commodity is to be exported to foreign countries. This class of taxes yielded, in the above year, £11,985,467.

3. *Stamp Duties*.—These consist of the prices affixed to stamp papers, upon which the law makes it imperative that every document for the transfer of property, or other obligation, shall be written. Deeds, settlements, and bills, bills of exchange, receipts (above a certain small amount,) and a great variety of other instruments of business, are required to be stamped in this manner; and the prices affixed to the stamps, which are often high, bring a large revenue. Under the head of stamps, are also included newspaper stamps, indentures, dice, duties on plate, and other anomalous items. The whole amounted in the above year to £6,726,317.

4. *Direct Taxes*.—These are duties levied on land, on windows (eight or upwards,) male servants, riding horses, dogs, use of armorial bearings, hair powder, &c. This class of taxes, which are levied by surveyors and collectors, amounted in the above year to £3,744,372. The principal items are the land and window taxes, each of which was above a million.

5. *Post Office*.—In the year ending October, 1839, the revenue derived from the tax on letters passing through the post office was £2,390,764. But, by the reduction of postage to one penny per letter (if under half an ounce) at the beginning of 1840, the amount of revenue derived from this source in the year ending January, 1840, was only £441,000. The great advantage derived by the country from cheap postage more than compensates the deficiency.

6. The income derived from rentals of *crown property*, and the sale of timber, bark, &c., from the crown lands (with other incidents,) yielded a revenue, in the year ending October, 1840, of £167,500.

7. *Miscellaneous*.—These include duties on hackney-coaches, hawkers' licenses, offices, pensions, &c.; and amounted to £84,479.

8. Some *incidental revenues* are derived from matters connected with the regular taxes; such as duties collected at the Isle of Man, fines, and goods seized for taxes; these, with a number of other casual receipts, amounted, in the above year, to £454,784. Besides this, there was a sum entitled *repayments of advances*, amounting to £656,140.

The total of the income for the year ending October, 1840, was £44,665,798; and it will be observed that of that sum fully thirty-two millions were raised from customs and excise, or duties on foreign and British manufactures, and nearly seven millions on stamps. Thus, the great bulk of taxation is indirect, and the really direct taxes are a mere trifle in comparison. The chief burden of the taxes evidently falls on the consumers of tea, coffee, sugar, tobacco, soap, spirits, and wines, and these consumers are the great body of the people. As the land-tax amounts to no more than £1,300,000 annually, proprietors of lands contribute but a small direct aid to the public income. The customs duties are levied on nearly 1700 articles imported into the country, but a few leading articles raise nineteen-twentieths of the entire amount, and the insignificant sum raised from the remainder acts merely as a prohibition on foreign commerce. The following were the duties levied on ten articles in the year ending January 5, 1840:

Enumeration of duties levied for the year to 5th January, 1840.

1. Sugars and molasses,	£4,826,917
2. Tea,	3,658,763
3. Spirits,	2,615,413
4. Wine,	1,849,308
5. Tobacco,	3,495,686
6. Coffee and cocoa,	794,818
7. Fruits of all kinds,	462,002
8. Timber and dye-woods,	1,668,584
9. Corn, grain, meal, and rice,	1,131,075
10. Provisions, (including bacon, hams, butter, eggs, &c.,)	368,560
Total amount,	£20,871,126

On the following six articles, the duties levied in the year ending January 5, 1840, were as follows:

1. Seeds of all kinds,	£145,712
2. Oils of all kinds,	69,964
3. Spices of all kinds,	98,261
4. Hides and skins,	94,987
5. Tallow,	181,999
6. Wool (cotton and sheep's,)	556,225

£1,147,148

Which added to the duties levied on the ten articles in the preceding list, namely, **20,871,126**

Gives a grand total on sixteen unmanufactured articles of **£22,018,274**
Balance received on 1136 minor articles, **944,326**

Total net revenue, £22,962,600

Therefore the duty levied on all the remaining 514 articles, including all raw materials and manufactured goods, is **£55,674** less than one million.

CIVIL LIST.

The ordinary expense incurred for the personal support of the sovereign and royal family and household, is but a small item in the general expenditure of the nation. Formerly, the crown possessed private revenues from lands, duties, &c., but all such are now abandoned to the country (chiefly under management of the board of woods and forests,) and the sovereign in requital is voted a civil list, or certain fixed sums, by parliament. On the accession of William IV, the civil list was voted under five different classes, amounting in the aggregate to **£510,000** per annum, as follows:

Class 1. For the king's privy purse, £60,000; for the queen, £50,000,	£110,000
“ 2. Salaries of the royal household,	130,300
“ 3. Expenses of the household,	171,500
“ 4. Special and home secret services,	23,200
“ 5. Pensions,	75,000

£510,000

On the accession of Queen Victoria, a civil list in six classes was voted, amounting in the aggregate to **£385,000**, with a power to the crown to grant pensions to an amount not exceeding **£1200** in any one year.

BANKS OF GREAT BRITAIN.

From Chambers' "Information for the People."

BANK OF ENGLAND.

According to its charter, the management is committed to a governor, lieutenant-governor, and twenty-four directors, elected by stockholders who have held 500*l.* of stock for six months previous to the election. A director is required to hold 2000*l.*, a deputy-governor 3000*l.*, a governor 4000*l.* of the capital stock. At first the charter of the bank was for only eleven years; but in consequence of the great services of the institution to government, its charter has been at various times renewed. The original stock of 1,200,000*l.* has been augmented at different times, till, in 1816, it reached 14,553,000*l.*, upon which the stockholders drew dividends. The profits of the bank arise from traffic in bullion, discounting of bills, interest on mortgages, allowance for managing the public debt, &c.

The net profit of the bank in 1832, out of which interest was paid on the capital stock, was 1,189,627*l.* The interest paid to stockholders has wavered from five to ten per cent. per annum, but has more generally been about eight per cent. The bank has, besides, at different times, made dividends under the name of *bonuses*. A bonus is a sum of money derived from the division of a fund, which had been suffered to accumulate or remain for use, in case of an emergency. The emergency being past, the fund is divided. The bonuses of the Bank of England have varied from ten to five per cent.

The Bank of England trades not only on its paid-up capital, but on the capital confided to it in the form of deposits, and usually called its liabilities. This is perfectly legitimate, and consistent with the true principles of banking, it being only necessary to take care that the institution always leaves itself a sufficient fund from which to satisfy all demands. The issue of notes by the bank is understood to be somewhat in accordance with the amount of its deposits; but this is necessarily dependent on various contingencies in public affairs. The leading feature in the character of the institution is the circumstance of its acting as the banking-house for the government. All the money drawn in the form of taxes or otherwise for the public service is consigned to the bank, while all drafts for the public service are likewise made from it. In carrying on this branch of its business, the bank allows the government to overdraw its account, that is, to take a loan of cash to a certain amount. The money so lent was some time ago upwards of 14,000,000*l.*, which parliament made a provision to reduce and finally pay off. The important services rendered to the government have in past times secured to the bank most valuable privileges, amounting almost to a monopoly of the business in money. In 1797, when the bank found itself unable to meet a run made upon it for gold for its notes, the government of that day summarily protected it from bankruptcy by issuing an order that Bank of England notes should be considered a legal tender; consequently, the holders of notes at the time were, by force of law, refused their value in cash. This extraordinary state of affairs, with various modifications, lasted till 1821, when cash payments were resumed. Meanwhile, the notes of the bank, from not being representatives of specie, were considerably depreciated in actual value; so great was the depreciation at one time, that four pound notes would have been given in exchange for three guineas. It has been frequently represented as a serious hardship, that debts contracted during this prevalence of a depreciated currency, have had to be paid in a currency

of full value; for by this means the creditor receives perhaps a third more money than the actual value of the original sum owing.

JOINT-STOCK BANKS IN ENGLAND.

A parliamentary return was published early in 1840, relative to these establishments, from which it appeared that the number of joint-stock banks in England, at 1st January, 1840, was 108, a considerable proportion of which had been instituted within the preceding ten years.

The number of partners in these banks varies from 50 to 1200, and may average about 300. There are half a dozen with less than fifty partners, the smallest number being seven. Fifty-eight of the banks have branches, and fifty have none. The branches, including the parent bank, are from two to sixty-seven in number. There are eight banks which have more than twenty branches. The whole number of parent banks and branches is 658.

There are besides about 550 *private banks* in England, that is, banks having not more than six partners. Adding these to the joint-stock banks and their branches, the whole number of banking establishments will be about 1200.

The issues of the joint-stock banks, when contrasted with the magnitude of the establishments, seem to us exceedingly small. According to the return made August 2, 1839, the notes in circulation of all the joint-stock banks were in value 4,665,110*l.* This, divided by the number of banks (108,) gives an average circulation of only 43,200*l.* for each; or, if we include the branches, the average for each office or establishment is only 7000*l.* Supposing the money to be employed in discounting at five per cent., the annual profit on 4,665,000*l.* would be only 230,000*l.*, or no more than 350*l.* to each establishment. It is evident that their profits must be chiefly derived from deposits, which they can employ at five per cent., while, we believe, they give only two.

The issues of the *private banks*, by the same return, were 7,610,700*l.*, which gives an average of about 14,000*l.* for each establishment. It appears that the joint-stock banks, so far from superseding the private banks, have had but a very slight effect in narrowing their issues.

The chief advantage conferred on the Bank of England, and constituting its charter of monopoly, is the privilege of being the only bank in London, or within sixty-five miles of it, having more than six partners, which can issue notes payable to the bearer on demand. The bank has also the privilege of its notes being a legal tender by other banks for any sum above £5, so long as it pays its notes in cash on demand. This provision is a security to all other banks against the effects of sudden runs upon them for gold. It is ordained by act of parliament, that "upon one year's notice, given six months after the expiry of ten years from the 1st of August, 1834, and upon repayment by parliament of all sums that may be due from the public to the bank at the time of the expiration of such notice, the exclusive privileges of banking granted by this act shall cease and determine at the expiration of such year's notice." Hence, in 1844-5, there will necessarily be a renewal or modification of the peculiar privileges of the Bank of England.

STOCKS—STOCK EXCHANGE.

There are various kinds of stocks. Shares in a joint-stock company are called stock, and so are shares of debts due by government. It is the last mentioned stock, which is variously termed *public securities*, or the *funds*, that requires to be explained, and in doing so we take the liberty of using the definition of a popular writer.*

* Blackwood's Magazine : 1818.

"In every war in which this country has been engaged since the revolution, the amount of the annual taxes has been found inadequate to defray the expenses of government. To supply the deficiency, our rulers have generally had recourse to loans—that is to say, they have borrowed money from such individuals as were able and willing to lend it, giving these individuals a security for the payment of a certain annual interest. To explain the nature of this transaction, I shall take a very simple case. Suppose, then, that £100 is the sum which government wishes to borrow, and that an individual offers to lend that sum at an interest of 5 per cent. On paying down the money, the lender receives a bill, bond, or acknowledgment, for the amount; by which acknowledgment he is entitled to draw yearly from the public revenue £5 of interest, but on the express condition that he is not to demand repayment of the principal, or sum lent, unless government is willing to repay it. The person who thus possesses the bill or acknowledgment is said to be a *holder of 100l. of 5 per cent. stock*, and the money lent upon that bill constitutes a part of what is called the *national debt*, because it is in fact borrowed by the nation, and the interest is paid out of the taxes. It is obvious, however, that few persons would be disposed to lend money on the condition of never being allowed to demand repayment, even though they were quite certain of receiving annual interest, and of transmitting the right to that interest to their posterity. To remedy this inconvenience, therefore, the lender who wishes to employ the sum which he lent to government in any other way, though he cannot directly demand repayment, is at liberty to sell his bill to any body who will purchase it, and for any sum that another may be willing to pay for it. In doing so, he merely sells to a second person the right which he himself possessed to the annual interest of 5l., and that second person is of course at liberty to dispose of his right to another in the same way. This transaction, in general, is called a *transfer of stock*; and in the particular case which I have supposed, the one is said to sell, and the other to buy, *100l. of 5 per cent. stock*. If 5 per cent. be considered as a fair and equitable interest for money lent, it is obvious that such a bill as I have now been speaking of, or, in other words, that *100l. of 5 per cent. stock*, is just worth *100l. sterling*. It is possible, however, that in certain circumstances the holder of that bill may receive more, or be obliged to take less for it than *100l.* If two or three individuals, for example, have each a sum of money, which they are anxious to lay out at interest, but find it difficult to do so, a competition will naturally take place among them to become the purchaser of the bill in question, which will always secure to the holder 5l. of yearly interest. The possessor of the bill will of course take advantage of this competition, and raise his price, say to *105l.* The purchaser, therefore, pays *105l.* for *100l. of 5 per cent. stock*, or he lays out his money at an interest of 5l. for every *105l.*, which is at the rate of something more than $4\frac{1}{4}$ per cent. If, on the other hand, however, the possessor of the bill or stock is anxious to dispose of it, while few are willing to buy it, he will be forced to offer it for less than *100l.*, say *95l.* The purchaser, in this case, pays *95l.* for *100l. of 5 per cent. stock*, or he lays out his money at an interest of 5l. for every *95l.*, which is at the rate of something more than $5\frac{1}{4}$ per cent. For simplicity of illustration, I have supposed that *100l.* is the sum borrowed by government, and that of course there is just one bill to be disposed of, or transferred by the lender. If it be supposed, however, as is really the fact, that the loans generally amount to several millions, the necessity which the lenders are under of selling their bills, or, in other words, transferring their stock, will be more apparent. The transaction between government and the lenders is precisely the same in the case of millions as in that of a hundred; and it is unnecessary, therefore, again to illustrate the general principle of

that transaction. It is evident, however, that even the most opulent merchants, who are generally the lenders, cannot be supposed to have such a command of money as to be able to advance ten or twelve millions to government at once. When they contract for a loan, therefore—that is, when they agree to lend to government the sum required—they generally pay the money by instalments, or partial payments at certain intervals, say one million a month, till the whole is advanced. In the mean time, they sell or transfer the bills or securities which they receive from government to those who may have money to lay out at interest, and who of course will be disposed to purchase such bills, so that the sale of the bills of the first instalment may enable them to pay the second. In this way, government securities or bills become articles of commerce, and their price is regulated, like that of any other article, according to the supply and demand.

“It is easy to see how the price of stock is liable to fluctuation from accidental circumstances. I shall not attempt to enumerate these: but it may be worth while to point out how it is affected by peace and war, as these two conditions of the country are generally found to have the greatest influence in raising or depressing the value of stock. In the time of war, then, the price of stock is comparatively *low*, because, in such a state of things, it is likely that government will be under the necessity of borrowing; and as every loan produces new bills, the quantity of those to be disposed of, or, in other words, the supply of the market, will be increased. The price, therefore, will fall, for the same reason that the price of corn falls after a plentiful harvest. In time of peace, again, the price of stock is comparatively *high*, because, in such a state of things, the taxes are likely to be sufficient to defray the expenses of government without any loans, and consequently no new bills are to be disposed of, or the supply, though not positively diminished, ceases to be augmented. For the same reason, the price of stock in the time of war is materially affected by the nature of the intelligence that comes from the scene of action. If that intelligence be unfavorable, stock will fall, because there is a prospect either of protracted warfare, or of the necessity of more vigorous exertions on the part of government; in both which cases new loans may be necessary, and consequently a new supply of bills will be thrown into the money market. On the other hand, should the intelligence be favorable, the price of stock will rise, because the prospect of a successful termination of the war renders it probable that there will be no new loan, and consequently no new supply of stock.

“It is this variation in the price of stock that gives room for the nefarious practice of *stock-jobbing*. That practice consists in raising and circulating reports calculated to raise or depress the price of stock, according to the particular views of the individual. If he wishes, for example, to sell his stock or bills, he endeavors to propagate some report or other favorable to the issue of the war, and the establishment of peace, in order, if possible, to raise the price of stock; and, if he wishes to buy, he propagates reports of a contrary tendency. It is painful to think that this abominable system is sometimes carried on by men whose rank and station in society, to say nothing of the obligation of morality and religion, might be expected to place them far above any such disgraceful acts; but, in general, I believe it is confined to men of desperate fortune and little character, who subsist by a species of gambling, to which the finance system of this country has opened a wide and extensive field. I allude to those men who make a practice of buying and selling stock, without actually possessing any, and whose transactions, therefore, are nothing more than wagers about the price of stock on a certain day. To explain the nature of the transaction by an example: I shall suppose that A. sells to B. a government bill of 100*l.*, or 100*l.* of 5 per cent.

stock, to be delivered on a certain future day, and that the price is fixed at 102*l.* If, when the day arrives, the price of stock shall have fallen to 100*l.*, A. would be able to purchase the bill in question for 100*l.*, while, in consequence of his bargain, B. would be obliged to pay him 102*l.* for it, so that A. would gain 2*l.* If, however, stock had risen to 104*l.*, B. would still be obliged to give only 102*l.*, so that A. would lose 2*l.*; but instead of actually buying and selling the stock, the bargain is generally implemented by A. paying to B., or receiving from him, the 2*l.*, or whatever may be the sum of loss or gain. In such a case as this, it is obviously A's interest that the price of stock should fall, and as obviously B's interest that it should rise, between the day of the bargain and that of settling; and hence the temptation held out to both to circulate reports favorable to their own particular views. B., or the buyer, is usually denominated a bull, as expressive of his desire to *toss up*; and A., or seller, a bear, from his wish to trample upon or *tread down*. The law, of course, does not recognise a transaction which proceeds on a principle of gambling; but a sense of honor, or, what is perhaps nearer the truth, *self interest*, generally secures the payment of the difference, as the person who refuses to pay his loss is exhibited in the Stock Exchange under the designation of a *lame duck*, a disgrace which is considered as the sentence of banishment from that scene of bustle and business."

In the preceding remarks, the loans to government have been supposed to be negotiated in bills bearing five per cent. interest; practically such is not the case. The stocks, from a variety of circumstances, are of different denominations, some having been created at one rate of interest or profit, and some at another. The principal stock is called the three per cent. consolidated fund—that is, several borrowings consolidated into one debt at three per cent. This stock is usually called, for shortness, three per cent. consols. Another stock is called three per cent. reduced annuities, or briefly, three per cent. red. an. The three per cent. consols embrace a debt of upwards of 300,000,000*l.*, or nearly one-half of all the money due by the nation; and in most instances it is a share of this debt which people purchase when they buy into the funds. In 1839, the debt, funded and unfunded, amounted to 763,803,563*l.*, the annual charge or interest upon which, to be raised by taxation, was 28,669,333*l.* It was ascertained that this interest was payable to 279,751 persons, fully two-thirds of whom received under 50*l.* each.

BANKS OF SCOTLAND.

The earliest banking institution in North Britain was the Bank of Scotland, instituted by a charter of incorporation from the Scots parliament in 1695. The original capital was 1,200,000*l.* Scots, or 100,000*l.* sterling. The amount was raised by shares differing in extent, from 1000*l.* Scots, or 83*l.* 6*s.* 8*d.* sterling, to 20,000*l.* Scots. In 1774, the amount of stock was extended to 200,000*l.* sterling; and now it is a million and a half sterling. The shares are now 100*l.* sterling each.

The establishment of the Bank of Scotland was of great service to the nation; the landholders borrowing notes and bringing the country into cultivation, and a spur being by that means given to various branches of manufactures. The Bank of Scotland continued to be the only bank in the country till the year 1727, when a new and similar establishment was constituted under the title of the Royal Bank of Scotland. These two establishments engrossed all the respectable banking business in the country till the year 1746, when a new association was formed, and incorporated by royal charter, with the title of the British Linen Company. The object of this association was at first to encourage the linen manufacture of Scotland, but

gradually it fell into the course of common banking business, and now occupies a high station among these institutions. From 100,000*l.*, the capital of this bank has been raised to 500,000*l.*, where it has long remained stationary. By adroit management, it carries on an immense deal of business and possesses as high credit as any bank in Scotland.

These are allowed to take precedence of others erected in the subsequent part of last, and in the present century, either in Edinburgh or in the provinces; and their shareholders enjoy the privilege of being responsible only for their individual stock.

All the banks, with few exceptions, are joint-stock associations, and are banks both of deposit and issue. Except the few private houses, all issue notes of one pound and upwards, which are payable on demand at the office whence they are issued. It was at one time ordained that Scottish bank notes should not be reissued after they were three years old; but such a regulation is abrogated, and they are now sent out as long as they are in good condition. Almost all the modern notes are produced from plates of hardened steel, and of such peculiar and intricate devices, that forgery cannot be attempted with success, or remain long undetected.

No periodical returns of their issues are made by the Scottish banks. But on turning to the evidence given before the parliamentary committees of 1826, we find the usual value of the small notes in circulation estimated by Mr. Paul of the Commercial Bank, and Mr. Blair of the British Linen Company, at 1,800,000*l.*, which is increased by a third at particular seasons, and when trade is brisk. The committee estimate the paper money of all kinds in circulation in 1826 at 3,309,082*l.* But in the year of great speculation, 1825, they estimate the highest amount of notes in circulation at 4,683,000*l.* the lowest at 3,434,000*l.* [The Scotch banks now make returns by law—circulation 1847, 3,787,000*l.*]

Return of joint-stock banks existing in Scotland 5th January, 1839:

The Bank of Scotland, Edinburgh, 1695; the Royal Bank of Scotland, Edinburgh, 1727; the British Linen Company, Edinburgh, 1746; the Commercial Bank of Scotland, Edinburgh, 1810; the National Bank of Scotland, Edinburgh, 1825; the Aberdeen Bank, Aberdeen, 1825; the Ayr Bank, Ayr, 1825; the Dundee Banking Company, Dundee, 1825; the Dundee Union Bank, Dundee, 1825; the Dundee New Bank, Dundee, 1825; the Glasgow Bank Company, Glasgow, 1825; the Greenock Bank, Greenock, 1825; the Leith Bank, Leith, 1825; the Paisley Bank, Paisley, 1825; the Perth Banking Company, Perth, 1825; the Renfrewshire Banking Company, Greenock, 1825; the Paisley Union Bank, Paisley, 1809; the Aberdeen Town and County Bank, Aberdeen, 1825; the Arbroath Bank, Arbroath, 1825; the Dundee Commercial Bank, Dundee, 1825; the Glasgow Union Banking Company, Glasgow, 1830; the Ayrshire Banking Company, Ayr, 1831; the Western Bank of Scotland, Glasgow, 1832; the Central Bank of Scotland, Perth, 1834; the North of Scotland Banking Company, Aberdeen, 1836; the Clydesdale Banking Company, Glasgow, 1837; the Southern Bank of Scotland, Dumfries, 1837; the Eastern Bank of Scotland, Dundee, 1838; Edinburgh and Leith Bank, Edinburgh, 1838: being 29 in all.

The business done by the Scottish banking-houses is prodigiously increased by the institution of their branches in the provincial and country towns. From those banks already noticed, which are situated in Edinburgh, and from two or three of the chief provincial banks, there were altogether deputed, not long since, about one hundred and forty branches, and this number is undergoing a regular increase. The subsidiary establishments are to be found in every town of any note, from the borders to the most northern point of Scotland. They are conducted by resident wealthy or re-

sponsible merchants and others, who give securities for intermissions, and are subjected to a very rigorous supervision by inspectors, who are continually travelling about for this purpose.

The prudent and enterprising manner in which the business of banking is conducted in Scotland, has often been the subject of remark and commendation. Several reasons may be assigned for the remarkable stability of the Scotch banks. Each bank, before gaining credit with its neighbors, must show that it possesses a sufficient paid-up capital, with a reserve fund in London, on which orders for balances may be given. It is also the custom of the banks to exchange the notes of each other once or twice a week, by which means the notes are sent very speedily back to the issuers, and thus an over-issue on the part of any single establishment is prevented. There can only be an over-issue by all the banks in the country becoming equally reckless, a thing not likely to occur to any serious extent. A third cause of the stability of the institutions, is the liability of shareholders for the debts of the establishment. Excepting in the case of the three old-established banks above specified, all the shareholders in the various banks are liable not only for the amount of their own shares, but for the shares of all the others; and the whole of their property may be seized to make up deficiencies. Although many of the shareholders are certainly not men of opulence, a number are so; and as their fortunes are good for the paper issued, the public runs no risk of injury. To strengthen this liability of shareholders, by the law of Scotland all heritable property, lands and houses, may be seized in satisfaction for their debts. As this is not the case in England, where personal or movable property can alone be taken by creditors, it would not be possible to establish banks in the south part of the island on the principle of the Scottish banks, till the law touching heritable property be altered.

Other causes, not of a legal nature, conspire to render the system of Scottish banking perfect. By reason of the circumscribed limits of Scotland, and the character of the people, a ramification of intelligence is created and preserved throughout the whole of society, altogether unknown in England, whereby the character, the wealthiness, and the conduct of the partners or directors of each bank, are made fully known to the rest. All seek, and all find, a knowledge of the management of each other. All are mutually on the watch; and symptoms of over-issues or other improprieties are spread with an amazing celerity, and have their immediate effect.

In comparing Scottish banking institutions with those in England, and considering the different manner in which paper money has been guided by the two nations, the uniform security of the former appears almost miraculous. From the first issue of the bank notes in 1704, till the year 1830, a single panic or general run did not occur in Scotland, although, during at least two-thirds of the intervening period, paper money had been used to the almost total exclusion of a gold currency. Partial and very temporary runs have assuredly been felt, from the effects of short-lived slander or mistaken notions, which have invariably been readily quashed; but in the course of a hundred and twenty-six years, there have only been two or three cases of banks failing to pay twenty shillings a pound (they paid 10s.) and four, in which, after a short suspension of payments, all demands were liquidated. Their failure or stoppage, with the exceptions we mention, did not put the public to any loss; but this was to the injury of the shareholders, many of whom were reduced from affluence to poverty.

The very common practice of making deposits of small sums in the banks, has further assisted in giving strength to the institutions. Each bank receives deposits of any sum above 10*l.*, for which a regular interest is given; and on this account the banks may be said to be the custodiers and traders upon

all the spare capital of the country. Besides employing capital in discounting bills, lending money on heritable security, &c., the Scottish banks grant loans of fluctuating amount, called *cash accounts*. By a cash account is signified a process, whereby an individual, on entering into an arrangement with a bank, is entitled to draw out sums as required, to a stipulated amount, and by an implied condition to make deposits at his convenience towards the liquidation of the same.

Cash accounts are said to have originated from the following circumstance: A shopkeeper in Edinburgh, in the year 1729, found himself at times in the possession of more than a sufficient supply of ready money to carry on his trade, the overplus of which he consigned to the care of the neighboring bank. But on other occasions, by reason of the length of the credits given to his customers, his money became so scarce, that, after exhausting his bank deposits, he still felt himself in difficulties. Several dilemmas of this kind having occurred, he was prompted to make a proposal of a novel nature to the bank, to the effect that, if it would accommodate him in straits with small loans, he would always shortly afterwards make up such debits, and that the parties should come to a balancing of accounts at periodical intervals. It seems this proposal was acceded to. A cash credit, or liberty to draw to a certain extent, was instituted under securities; and thus originated a system which has been of immense benefit to bankers and traders, and is now followed over the whole of Scotland.

Cash credits are guarantied by two sufficient securities, or the applicants give infetment to heritable property in caution of the contingent debt, and when any such debt is liquidated, the deed is cancelled. The expense of expeding a cash credit varies according to the amount of the desired loan. One for 500*l.* may be stated at 15*l.* The deed requires no renewal. At the end of every six, and in some cases twelve months, calculations are made of entries and debits; the interest for and against the bank—the one being a per cent. higher than the other—is added and balanced, and an account being then rendered, the balance, if in favor of the bank, is either paid up, or remains against the debtor at interest to his new account. In these cash credits, the borrower is always at the mercy of the bank, which can call upon him at any time to balance his account, or, by his failing to do so, have recourse upon his securities.

Since 1729, cash credits have increased to an amazing extent. In 1826, it was computed that there were TEN THOUSAND in Scotland, varying in amount from 100*l.* to 5000*l.* each, but averaging from 200*l.* to 500*l.* Though originally designed for mercantile persons, they are now operated upon by farmers, manufacturers, house-builders, miners, lawyers, and all classes of traders and shopkeepers. From 1826, it is extremely probable that, instead of decreasing, they have increased a thousand or two more.

Banks are in the present day established in every civilized country. In the United States of North America they have been instituted to a great extent, and frequently on most unsound principles, their notes being for very small sums, and these in few instances negotiable without a loss at a comparatively short distance from the place of issue; often, also, there has been an universal stoppage of cash payments, in consequence of over issues of paper money, a sure testimony that the country was trading beyond what its actual capital warranted.

FINANCIAL POSITION OF THE BANK OF ENGLAND.

From the London Bankers' Magazine, April, 1847.

Although the financial position of the Bank of England has seldom been the subject of more anxious consideration than at the present time, and the

public possess greater facilities now than they have hitherto enjoyed for ascertaining the real condition of the establishment, yet considerable misunderstanding seems to exist, even amongst well informed persons, on the simplest questions relating to its resources and liabilities. We hear some parties talking of the enormous stock of specie, on which the directors can "fall back," if necessary; while others, analysing the weekly return in a different manner, look upon every reported diminution of the bullion as a clear indication of an approaching crisis.

The division of the bank into two departments assists in producing this misunderstanding. Those who regard the bank as identically the same institution it used to be, overlook the fact that it contains two distinct departments, each as independent of the other as can well be imagined; although, from their functions being attended to by one board of directors, and carried on under the same roof, the distinction is not so palpable as it would be, if the "issue department" was at Whitehall, and the "banking department" in Threadneedle street. Those who wish to understand the real position of the bank must, however, bear in mind, that the *banking* department is the only one over which the directors have control; and that the fluctuations in the *issue* department are entirely independent of any influence of the directors—being regulated solely by the demand for notes which the "bank proper" may make upon it, in exchange for gold. In endeavoring to ascertain, therefore, the financial position of the bank, our attention must be directed to the "banking department;" and the questions of most importance at the present time seem to be—how far is this department provided with the means of meeting a demand for bullion, such as may be expected from the present and probable state of the exchanges with America? and—is the demand likely to induce the directors to resort to more violent measures for contracting the circulation than they would have adopted were they not under the restrictions of the recent banking act?

The last published weekly return of the bank—that is, to the 20th March, 1847—would, before the passing of the bank restriction act, have shown the following as the liabilities and assets of the establishment:

Liabilities.		Assets.	
Circulation with post bills	£19,913,820	Total securities	£29,087,953
Public deposits	6,471,623	Bullion	11,231,630
Private deposits	9,962,436		
	<hr/> £36,347,889		<hr/> £40,319,583

Showing a balance of 3,971,704*l.* in favor of assets, that being the amount of "the rest," as published in the weekly return; and also showing that the bank held upwards of *eleven millions and a quarter* in bullion, all of which might be made available to meet any demands on the bank for gold.

Now, however, the case is very different, as will be seen by the following statement, made up of the same figures as the above return, but arranged in the form which exhibits the effect of the bank restriction act in diminishing the available funds at the bank's command.

Liabilities.		Assets.	
The amount of notes in actual circulation, not including post bills, is	£19,069,190	Government debt, and other securities allowed to be held	£14,000,000
	<hr/> £19,069,190	Bullion, in both departments	11,231,630
			<hr/> £25,231,630

Showing a balance in bullion of 6,162,440*l.*, which the bank now holds available to meet any demand for specie; being 5,069,190*l.* less than she would have held available for the same purpose, under precisely similar circumstances, before the bank restriction act came into operation.

This reserve of 6,162,440*l.* will probably be reduced to less than *five millions* after the payment of the April dividends, and the withdrawal of the specie which will be sent out on the 4th instant, by the mail, to America. Unless, therefore, the directors can obtain gold from internal or foreign sources it is quite clear that the most vigorous measures of restriction will be adopted with regard to discounts; and she will again come into the market as a seller of public securities.

However important the question as to the bank's management may have been on former occasions, when this country was threatened with a "crisis," a far greater number of persons are interested in the satisfactory solution of it at the present time. A new interest has sprung up since any former period of pressure, more entirely dependent for its prosperity on the condition of the money market than either the corn or cotton interests, which have suffered so severely on former occasions. Railway affairs have now arrived at a *crisis*. If the forebodings of those who look for a continued depression of the money market, an increased rate of interest, and difficulty of obtaining banking accommodation, prove to be correct, disappointment must necessarily be the result of the splendid expectations of railway shareholders. "There will be no room for them at the financial table," and ruin must be the portion of many who now think themselves rich. The anxiety of the public to understand how far the bank may be able to meet the probable demands upon it, is proportionately greater than it ever was before; and the restriction under which the banks of issue suffer, prohibiting them from using their credit in any way to economize the use of gold and silver, renders it very desirable that a very large portion of the public should be able to understand, if possible, the future policy which the bank may think proper to adopt.

As already stated, the bank now holds *eleven millions and a quarter* in bullion. In July last, the amount was nearly *sixteen millions*, showing a diminution, since the exchanges became unfavorable to this country, of nearly *five millions*. It is asserted by parties in the corn trade, usually well informed, that unless the extraordinary purchases of wheat and bread-stuffs we have made and are now making in America, are met, to a great extent, by extra demands for our manufactured goods, that as large a sum as that we have referred to will be yet withdrawn from the bank's coffers. If so, what must be the result? Has the bank a sufficient stock of bullion on hand to meet the demand without difficulty? or will she be compelled to resort to violent measures for contracting her circulation, by increasing the rate of interest, and curtailing discounts? And if such measures should be found to be insufficient, or too injurious to be continued, will the present arbitrary division of her functions be suspended, and the bank be allowed to increase her issues, as she has done on former occasions when there has been an extraordinary demand upon her resources?

In order to answer these questions with any degree of satisfaction, it is necessary that we should understand the changes that have been made in the available means of the bank by the recent banking act, and whether she has the power of contracting the circulation to the extent which will be necessary to enable her to meet the anticipated drain upon her stock of specie. Under the old system the bank was at liberty to allow the stock of specie to descend to any point the directors thought proper; that is to say, as long as they held any amount of bullion on hand they could pay the notes presented. But now the state of affairs has changed. The *issue* department can never contain much less than *five millions* of specie. This amount must always be held, unless the directors by extraordinary exertions can reduce the amount of notes in circulation very much below the average of many years.

The amount of securities allowed to be held against the notes in circulation is but *fourteen millions* sterling; and while the notes in the hands of the public and of the banking department of the bank, is at or near the present sum of nineteen millions, there must, at least, be *five millions* of specie on hand. Those who have not paid attention to this point, appear to imagine that the bank's stock of gold must be estimated according to the old rule; but the new one introduced by the late banking act is far more stringent; so much so, that if the directors allowed their "reserve of notes" to become unequal to the demands upon them for deposits, public or private, they must necessarily suspend payments, whatever might be the amount of gold in the "issue department." The only way in which they can avoid such a catastrophe, is by a rapid withdrawal of notes from circulation; and to effect this they must raise their rates of discount, diminish very much the accommodation usually granted to their customers, and sell to a large amount the securities they hold, in order to obtain the means of paying the calls of their depositors and of the government. It is admitted on all hands that the opinion we expressed some time since is perfectly correct. The bank might be obliged to stop payment of gold in one department while it held a large stock of bullion in the other.

Assuming it to be very probable that a considerable demand for specie and for banking accommodation may, for some time to come, exhibit themselves simultaneously, it is worth while considering what will be the effect on the general state of trade, and particularly on those departments of business which are most active at this period. The "railway interest" immediately presents itself as that which is most likely to suffer; and if the effect of the screw was simply to prevent the progress of immature schemes, we might not perhaps consider the interference altogether unfortunate. But how will the various branches of our home trade support the pressure? How will our agriculturists and manufacturers be able to proceed, with high rates of interest and limited accommodation? Surely, the obvious fact that the natural, proper, and periodical demand for banking accommodation to carry on the usual business of the country cannot be complied with, under the circumstances referred to, proves that the foreign exchanges ought not, without some compensating arrangement of our currency system, to be made the arbitrary regulator of the local circulation? The farmers and shopkeepers, as well as the large manufacturers and railway shareholders, have a direct interest in this matter, as they will experience soon, unless the exchanges become more favorable; and we hope to see them taking part with the people of Scotland in opposing the continuance of a measure by which their interests are always jeopardized, and may ultimately be seriously injured. Now is the time to exhibit distinctly the objectionable principle of the bank restriction act, and the country bankers will be doing good service by directing the attention of their customers to its working at the present time.

At the half-yearly general meeting of Bank of England proprietors, held 11th March, (the attendance on the occasion was very large,) the meeting having been formally constituted, Mr. Heath, the governor, said that the court of directors, having considered the state of the banking accounts, advised that a dividend should be made, if this general court thought fit, of 3*l.* 10*s.* per cent., interest and profit, without any deduction, payable on the 5th of April next. They might wish to know, before he put the motion, something as to the state of the "rest." On the 28th of February, 1846, the "rest" amounted to £3,689,430; on the 31st of August, 1846, to £3,839,753; on the 27th of February, 1847, to £3,899,222; making an increase on the half year, to the 27th of February, 1847, of £59,469; and an increase to the rest of the whole year of £299,792.

The question as to a bonus having been discussed, the governor said this was the last occasion on which he should have to appear officially before them, and he should have been proud to propose such a thing before leaving office, but he was sure the proprietors would see that circumstances were operating at this moment which rendered caution on the part of the corporation very necessary; indeed, more necessary than ever.

After some discussion, it was, however, moved, that in addition to the $3\frac{1}{2}$ per cent. dividend, the proprietors should have 1 per cent. bonus; and on being put to the vote, the resolution was carried by a large majority, amidst much cheering.

The governor, in consequence of what had taken place, moved, in addition to the motion for a dividend of $3\frac{1}{2}$ per cent., that a bonus of one per cent. should be paid, and that a general meeting should be held to take the ballot on that proposition. This motion was carried unanimously; and it was then moved, that a vote of thanks be given to the governor, deputy-governor, and directors, and proposed, in doing so, that, as an acknowledgment of their zeal for the interest of the proprietors, their salaries should be paid free of income-tax. The motion was carried unanimously.

The governor, in returning thanks, stated that that would be the last time he should have the honor to address them in that capacity. Thereupon, a specific vote of thanks to the governor was proposed, which was at once carried, and the court broke up.

L I F E - A S S U R A N C E .

From Chambers' "Information for the People."

Life-assurance, in its ordinary character, is a means of securing, by a present payment in full, or of an annual payment, a sum to be realized after the decease of the party.

It is obvious that, to many persons, the having this in their power is of great importance. To none is it so important as to individuals in the middle walks of life, who, for the present, are perhaps able to maintain their families in comfort, but being unable to accumulate a large surplus capital, cannot be sure that, in the event of their death, those dependent on them will not be thrown into poverty. To such persons, life-assurance presents itself as a ready and convenient means of providing for those in whom they are interested. With a certain annual sum laid aside from a professional income, or from the profits of trade, such a person can make sure that, though death cut him off abruptly, his widow and children will have something to look to, either for an entire maintenance, or to aid in enabling them to gain one for themselves. By the same means, an individual, possessing an entailed estate, can make provision out of its current rents for those younger and female children, who, at his death, would cease to be benefited by it. An individual, also, incurring a risk in behalf of another, or having a large claim upon him in the form of a debt, can insure upon the life of that person such a sum as would be sure to cover all loss, in the event of that person's sudden death. There are many other circumstances in which life-assurance may become highly beneficial; but its chief utility lies in securing a certain sum to helpless persons, in the event of the decease of those on whom they depend.

The principle on which life-assurance mainly rests, is one which it has been reserved for modern times to discover, namely, that, while the duration

of the life of a single person is of all things the most uncertain, it is possible to ascertain, with tolerable clearness, how many of a *multitude* of persons of a particular age will die within next year, how many in the second year, how many in the third, and so on. The medium or average gives what is called the *expectation of life* for each person of the set. A certainty, in short, is attained on this proverbially uncertain subject, when we take a great number of persons, and consider them with regard to the circumstances in which they live. It is found, for instance, that, of 100,000 persons, aged 52, residing in this country, the number who will die before another year has elapsed, will be about 1521, or rather more than one and a half per cent. Supposing that these 100,000 persons were to associate for the purpose of making sure that the widows or other heirs of all those who died within a year should have £1000. It would only be necessary, in that case, for each person to contribute as much to a common fund as would make up £1,521,000, or a thousand times 1521; that is to say, each would have to pay in £15, 4s. 2d. It is clear that those who died, or their heirs, would profit to the extent of £984, 15s. 10d.; but without injury to those who survived, for these also had their chance of gaining, for which it was but fair that they should pay. This would be a simple transaction in life-assurance, and may serve to convey an elementary idea of what life-assurance is, though, in practice, the transactions are usually of a somewhat more complicated kind.

An assurance is rarely transacted for a single year. The object of most is to pay a certain sum each year, as long as they live, in order that a sum may be realized at their death. Assurers are also of various ages; the young have the expectation of longer life than the old. It therefore becomes proper that they should pay less than those more advanced in life. Indeed, there ought to be a payment appropriate to each particular age; and this, accordingly, is the case. Another point calls for particular consideration. The payments being made, not to clear off one year's claims, but to make good a sum many years hence, large funds become accumulated, and upon the improvement of these much depends. If a high rate of interest is obtained, the funds experience a rapid increase, and the less payments are required to effect insurances. If, on the contrary, the interest realized be small, the insurers require to make their original payments so much the higher.

Life-assurance is effected in this country either in offices established by joint-stock companies, who look to making a profit by their business, or by mutually assuring societies. The former are shortly called *proprietary*, and the latter *mutual* offices. Offices of the first kind are usually held by a joint-stock copartnership, with a large subscribed capital; and the chief advantage which they hold forth, is the ample security for all claims presented by the capital, and the respectability of the shareholders. In the case of a mutual office, there is only, it may be said, an association of customers, each of whom is concerned in insuring his neighbor. In this case, however, all surplusages, instead of going into the hands of a trading company, remain the property of the insurers, and are liable to be divided among them. For a long time, the business was conducted almost exclusively by companies; but it was at length seen that all desirable security was to be obtained on the association principle; and for some years this system has been advancing much more rapidly than the other. In various instances, companies have scales of charges allowing a participation in surplusages; and these are usually called *mixed* proprietary and mutual offices.

The existing British offices are about eighty in number, most of them of recent origin. The oldest is the Amicable, of London, established on the mutual principle in 1706. At the time when it was set up, no calculations as to life existed; and the conductors were accordingly obliged for many

years to proceed in a great measure at random, charging the same premiums or annual payments for all ages under forty-five! The other offices, dating from the last century, are the following: The Sun, 1710, proprietary; the Union, 1714, mixed; the London, 1721, mixed; the Royal Exchange, 1722, proprietary; the Equitable, 1762, mutual; the Westminster, 1792, proprietary; the Pelican, 1797, proprietary; and the Palladium, 1797, mixed. Ten were established during the first ten years of the present century: The Globe, 1803, proprietary; the Albion, 1805, proprietary; the London Life-Association, 1806, mutual; the Provident, 1806, mixed; the Rock, 1806, mixed; the West of England, 1807, mixed; the Hope, 1807, mixed; the Eagle, 1807, mixed; the Atlas, 1808, mixed; and the Norwich Union, 1808, mutual. The rates charged by these offices are very various, but in all cases they have been found sufficient for the risks. In most instances, the companies divide large profits, while the mutual offices have realized equally large surplusages, which they have divided amongst the insurers, in proportions according to the sum assured and the duration of the insurance, or upon some other principle which may be thought preferable.

Life-assurance grew up in the last and present centuries amidst such an imperfect knowledge of the data on which it depends, that there is little to be wondered at in the great variety of rates charged by the different offices. These data are now much better understood, and it has become possible to arrive at a comparatively close estimate of what charges are really required from an individual, in order to make good a sum at his death for the benefit of his survivors. There might be greater closeness still, if the laws of mortality, now so well ascertained, were alone concerned; but the rate of interest upon money also enters into the calculation, and this, as is well known, is liable to fluctuation. Loose as the matter thus remains in some measure, enough is ascertained to admit of an approximation being made to something like a standard for the conducting of this important branch of business.

The rate of mortality and the rate of interest upon money are the two principal data on which life-assurance practically depends. We shall first consider

THE RATE OF MORTALITY.

Tables of mortality are founded on the assumption that human life is of a certain average endurance; and by means of them we estimate the number of deaths that may be expected among a given number of individuals, from the proportion that has been observed to occur among another class similarly circumstanced.

The tables of mortality adopted in this country as the basis of calculation for insurance companies, are *three* in number. That known by the name of the *Northampton table*, is the oldest now in use. It is founded upon observations made by the celebrated Dr. Price, of the deaths registered for the population of one of the parishes of the town of Northampton, during the years between 1735 and 1780. This table, it is now acknowledged, shows far too high (or rapid) a rate of mortality, owing partly to no effect having been given to the fluctuations in the population of that parish, from immigration and other such causes, and partly to the great improvement which has taken place in the value of life since the middle of last century, consequent upon the introduction of vaccination and other improvements in medical science, as well as in the habits and modes of living of the people. In 1827, a select committee of the house of commons, appointed to investigate this subject, reported—"The evidence appears to your committee to be strong and decisive in favor of the use of tables which give an expectation of life higher than the Northampton. In truth, there is not even a *prima facie* case in their favor."

The *Carlisle table* was formed, not from the register of burials among a floating population, but from observations of the deaths which occurred, at each year of life, among a certain stated number of persons in the town of Carlisle. The observations were conducted by Dr. Heysham, and the calculations made, in the most scientific manner, by Mr. Joshua Milne, author of a valuable work on annuities.

Finally, the *government tables* were compiled from observations on the progressive mortality occurring among the government annuitants and other selected classes, distinguishing the sexes. They were prepared under the directions of government, by Mr. Finlaison, actuary to the national debt; and in 1829 were adopted by parliament as the basis upon which their future calculations should proceed. Mr. Finlaison's researches established the fact of the longer duration of female life. He also observed "a very extraordinary prolongation of human life" in the course of the time over which his inquiries extended—so great "that the duration of existence now, as compared with what it was a century ago, is as 4 to 3 in round numbers."

Besides these three, a table was framed by Mr. Griffith Davies from the deaths reported from time to time among the members insured in the great Equitable Society of London, from its commencement in 1762 down to 1829, which has since been recalculated and continued down to a later period by Mr. Morgan, the actuary to that society. This table is very valuable, as confirming the substantial accuracy of other observations, with which it very nearly corresponds. The relation which these tables bear to each other may be seen at a glance from the following table, showing the *mean expectation of life* at various ages according to each.

At Age.	By Northampton.	By Carlisle.	Males.	By Government. Females.	Mean.	By experience of the London Equitable.
20	33.43	41.46	38.39	43.99	41.19	41.67
25	30.85	37.86	35.90	40.81	38.36	38.12
30	28.27	34.34	33.17	37.57	35.37	34.33
35	25.68	31.00	30.17	34.31	32.24	30.93
40	23.08	27.61	27.02	31.12	29.07	27.40
45	20.52	24.46	23.75	27.81	25.78	23.87
50	17.99	21.11	20.30	24.35	22.33	20.36
55	15.58	17.58	17.15	20.79	18.97	16.99
60	13.21	14.34	14.39	17.32	15.86	13.91

Independently of the acknowledged deficiency of the data on which the first mentioned table is founded, the mere fact of its differing so much from any other authentic observation, is of itself conclusive against it; and, by parity of reasoning, the close agreement of the others affords strong presumptive evidence in their favor, and imparts a high degree of certainty to calculations based upon them. The Carlisle table occupies a mean place between the male and female observations of government, showing a somewhat shorter duration than the mean of these. It also coincides very nearly with the experience of the Equitable Society. Considering that it is thus supported by two other sets of observations, and that the whole three extend over a period during which life was not so good as it has since become, the general opinion in favor of the safety of the Carlisle tables for life-assurance may be held as well founded. This opinion receives corroboration from the experience of the Scottish Widows' Fund, which extends over the last twenty-five years. In 1834, the auditor of that society reported, as the result of a careful investigation, "that the expected number of deaths by the Northampton table, which is the table of the society, is to the actual number during the whole progress of the society, as 100 to 57; and the proportion of the expected number by the Equitable experience is to the actual number as

100 to 87." We have understood that the experience of the Scottish Widows' Fund since 1834 is even more favorable to life. If, then, we were to take the whole twenty-five years' experience of this society as a criterion, we should come to the conclusion that the Equitable experience, the Carlisle tables, and the government mean, are considerably within the verge of safety, while the Northampton tables are so far from the standard of modern life as to be, particularly with regard to the younger class of lives, quite unfit for use.

We have now to advert to

THE RATE OF INTEREST,

meaning the rate at which the yearly premiums may be expected to be improved.

This subject is one which does not admit of the same certainty as the other, and on which, accordingly, there may be great differences of opinion. In 1829, Mr. Finlaison writes—"I take it for granted that it will be considered safe enough to assume that money, in a long course of years, will so accumulate, through all fluctuations, as to equal a constant rate of 4 per cent.; because, in point of fact, money has hitherto accumulated at $4\frac{1}{2}$ per cent., whether we reckon from 1803 or from 1783." Other writers, again, and among them Mr. De Morgan, looking chiefly to the high price of the 3 per cents. of late years, say that not more than $3\frac{1}{2}$ per cent. should be counted on. Practically the investments of assurance offices are made on terms much more favorable. It appears, from the published report of the Edinburgh Life-Assurance Company, dated December, 1838, that for the three preceding years (1836, 1837, and 1838, when interest was unusually low,) the average rate realized on their funds was £4, 16s. 6d. per cent.—about $1\frac{1}{2}$ per cent. higher than the return from the 3 per cents. during the same time. And this, it is stated, was obtained without any part being laid out in the purchase of reversions—on which, it is known, a much higher rate can be got. The example of this office is quoted merely from the circumstance of their report happening to state the precise return at that period. Other Scottish offices are said to have obtained a higher rate. Most of them state that their funds are invested "about," "at," or "above," 5 per cent. Indeed, it is not conceivable that the offices could make such large returns to proprietors and members, in the shape of dividends and bonuses, if they did not generally improve money at about the rate last mentioned. From all of these circumstances, it does not appear likely that calculations for life-assurance, in which the interest of money is assumed at *four per cent.*, will, while Britain remains in nearly its present condition, prove unsound.

EXAMPLE OF LIFE-ASSURANCE CALCULATION.

According to the Northampton tables, out of every 11,650 persons born alive, there will be 46 living at the age of 90. From these tables being ascertained to be unfavorable to life, this must be understood as not strictly the case, but it may be adopted for the sake of illustration. The same tables make it appear that, of the 46, 12 will die in the course of the first year, 10 during the second, 8 during the third, 7 during the fourth, 5 during the fifth, 3 during the sixth, and the last remaining life will fail in the course of the seventh year. It is a favorite mode of exemplifying life-assurance calculation, to suppose these 46 persons, aged 90, associating for the purpose of assuring £100 to each at death. They are supposed to proceed upon the principle of paying all that is required in one sum at first, thus forming a fund which is to answer all the demands which are to be made upon it. In this calculation the improvement of money has been assumed at 3 per cent.

The object is to ascertain what sum, by way of present payment, each is to contribute to the fund, so that it may discharge £1200 the first year, £1000 the second, £800 the third, and so on.

Practically, life-assurance is not effected upon lives so advanced as ninety years. It is common to confine business to ages under 60; and the great bulk of insurers are between 27 and 40, the time about which men in this country begin to feel the responsibilities of a family. But the calculations followed for the various ages are formed exactly in the above mode. All the persons of a particular age in a life-assurance society are considered as a distinct group insuring each other. Of those, for instance, at 30 years of age, it is calculated what proportion will die the first year, what the second, and so on; and from each the society looks for such a contribution, present or prospective, as may make up an aggregate sufficient, with the accumulation from compound interest, to pay the sum assured upon each life in that group. It is quite the same thing to the society, or, we shall say, to the general interest, whether the individual insurers pay the whole required contribution at once, or in a series of annual payments, which, as the plan convenient for most, is that generally adopted.

FORMATION OF RATES.

According to the principles of which we have given a slight outline, offices form scales of rates at which they profess to do business. In these rates a great discrepancy exists, for many continue to calculate mortality according to the Northampton tables, which, as shown, give the decrement of life too high; while others proceed upon those more recently formed, which are certainly much nearer the truth; and some, again, assume interest at only three or three and a half per cent., while others deem four not too high. There is also an allowance for the expenses of business to be added to the naked sums required by a regard to mortality and interest, and here also the minds of parties may differ, some allowing more and some less on this account.

In most cases, the charges for life-assurance are considerably within the verge of safety. Hence companies generally divide good profits, and societies realize large surplusages, which fall to be divided among the insurers, in the form of additions to the sums stated in their policies. The scales of the various offices may be classed in three grades or sets, of each of which we shall give a few examples, endeavoring, at the same time, to show how each particular grade of charges operates in the realization of profits and surplusages.

Scales of the first or lowest grade are followed as yet by comparatively few offices; but the number is increasing. We presume that they proceed upon modern tables of mortality, and the expectation of four per cent. at an average, as, with regard to one of the following (the Scottish Provident,) we have been informed that it follows the government table of males, and calculates upon money being improvable at the above mentioned rate, adding from 10 to 15 per cent., according to age, for expenses of management, and as a guarantee against any unfavorable fluctuations of mortality and interest. We here, as elsewhere, limit ourselves to offices of undoubted probity.

	20	30	40	50	55	Total betw. 20 and 60.
Aberdeen Assurance Company,	£1 14 7	£2 2 0	£2 14 5	£3 19 8	£4 19 0	£129 7 9
Standard L. Assurance Company, Edin.,	1 12 10	2 2 11	2 17 2	3 19 8	5 0 0	
Scottish Provident Institution, (mutual,)	1 15 8	2 1 6	2 14 9	4 1 7	5 1 11	131 8 8

The high premiums borne by the stocks of the two above companies, form a tolerably fair evidence (notwithstanding their having also higher scales,) that business can be profitably transacted at these rates. It may likewise be mentioned, that the Edinburgh Life-Assurance Company, which presents a scale nearly the same in aggregate amount as the above (£133, 4s.) divides 6 per cent. upon its stock, the £10 shares of which stand at £14, 10s. in the market. The Scottish Provident is of five years' standing only; but it has done a large amount of business, and its experience as yet tends to show that the rates are considerably within the verge of safety. The following is a selection of respectable offices in which somewhat higher rates are charged:

	20	25	35	45	55	Total betw. 20 and 60.
Economic Co., Lond.,	£1 14 7	£1 19 0	£2 10 11	£3 11 9	£5 10 3	£141 12 6
Norwich U. Society,	1 19 6	2 3 8	2 14 10	3 11 0	5 5 3	142 10 4
Guardian (mixed,)	2 1 0	2 5 4	2 17 0	3 14 11	5 4 8	146 3 3
Scot. Widows' Fund	} 2 1 6	2 5 10	2 17 6	3 15 6	5 4 2	146 12 5
Scot. Equit. Societies,						

The Economic is a proprietary office, giving three-fourths of the surplusages or profits to the assured. It was established in 1823. In 1834, a bonus, amounting to 16 per cent. on the premiums paid, was declared; and in 1839 there was a second bonus, amounting to 31 per cent. on the premiums paid during the preceding five years. The Norwich Union, in 1816, gave a bonus of 20 per cent. on the amount of premiums deposited by the members insured previous to June, 1815; a second bonus of 24 per cent. in 1823; and a third of 25 per cent. in 1830. The Guardian is a proprietary office, in which a proportion of profits not stated is given to the assured. Established in 1821, its first division of profits was made in 1828, and a second in 1835. At each period, the bonuses averaged rather more than 28 per cent. on the amount of the premiums paid thereon during the preceding seven years. The Scottish Widows' Fund and Scottish Equitable have both declared large surplusages. At the division of the first of these highly prosperous societies, in 1825, the policies opened between 1815 (the commencement of the society) and 1820, were declared entitled to 2 per cent. for each year of their currency. In 1832, the same policies received a further addition of $3\frac{1}{2}$ per cent.; and at the same time those opened between 1820 and that time, were declared entitled to additions amounting to $1\frac{1}{2}$ per cent. per annum. In 1839, a retrospective bonus of 2 per cent. per annum was declared on all policies. The effect of these additions is, that policies for £1000, opened before 1820, at whatever age, will amount in 1845 to £1809, 8s. 7d. In 1841, the Scottish Equitable made its first division of surplusages, amounting to 2 per cent. per annum on all policies of above five years' standing; so that the heirs of a person who insured £500 in 1831, (the first year of the society,) would now, in the event of his decease, realize £600, and so on in proportion.

A third class of offices, adopting, like the preceding, the Northampton tables, and generally of old standing, and acting upon old calculations, present higher scales of rates, of which we shall give a few examples:

	20	25	35	45	55	Total betw. 20 and 60.
Globe Company,	£2 3 7	£2 8 1	£2 19 10	£3 17 11	£5 6 4	£151 5 2
Sun Company (mixed,)	1 16 11	2 2 6	2 16 8	3 17 8	5 19 11	154 16 6
Amicable Soc'y, Lon.	2 0 6	2 5 6	2 17 0	3 18 6	5 18 0	155 3 6

There are a few offices which charge still higher rates. The aggregate premiums of the London Assurance and National (mixed offices,) are respectively £157, 0s. 8d., and £158, 3s. The London Life (mutual) is the highest, the aggregate of the scale being £171, 18s.

It is clear that, if business can be transacted by a company at a profit, on a scale of rates amounting in the aggregate to £129, 7s. 9d. (as in the case of the Aberdeen Company,) the last set of rates ought to give companies very large profits, and societies equally considerable additions to policies. The scale of the Globe is also that of the Rock and Atlas, proprietary offices granting a share of profits to the assured. In the Rock, where three-fourths of the profits are divided, policies opened in 1806 for £1000, at whatever age, are now £2001, 11s. In the Atlas, which has not announced to the public the share of profits extended to the assured, policies for £1000, opened in 1816, ranged in 1837 from £1338 to £1789, according to age.

The high rates are defended on various grounds. A company making high charges, and consequently good profits, may be supposed to have more stability than one making moderate charges; while, of a society pursuing business on the same plan, it may be said that the overplus becomes a kind of bank deposit, to be ultimately realized by the depositor. With regard to companies, the defence may or may not be sound, according as business is managed discreetly or otherwise—and there certainly are offices of that nature, entitled to the most implicit confidence, although they present moderate scales. The defence is of greater force with regard to societies; but even there it is not free from objections. The high rate societies, proceeding upon the Northampton tables, commit a constant injustice to young and middle-aged members, in favor of the old. The needless amplitude of their funds tend to occasion a less careful use of them in conducting the concern: there is, for instance, a greater temptation to give large commission to persons, who, as it is said, bring business; a practice in no respect different in morality from that of butchers and grocers who bribe cooks and butlers to favor them with their masters' custom. But the greatest objection to a needlessly high scale, is that it must act as an obstruction to the first step in what is generally one of the most important moral acts of a lifetime—the effecting of a life-assurance. We would here be understood to draw a broad distinction between an unsound low rate and one which is sufficient to satisfy a reasonable anxiety for security. Rates much below the first of the above three scales would be decidedly unsafe, taking all likely contingencies into account. On the other hand, it ought certainly to be possible to transact perfectly safe business upon a medium of that scale. Those who, for further caution, prefer the next scale, must be said to pay highly for it, if they resort to a company which gives no share of profits to the assured: if they become members of a society, large periodic additions to policies will be no more than their due.

In order to convey still more distinct notions respecting rates of life-assurance, we subjoin a scale of those which are required, exclusive of expense for management, upon the Carlisle tables, taking money variously at 4 and 3½ per cent.:

	25	30	35	40	45	50	55
4 per cent.,	£1 10 4	£1 15 1	£2 0 5	£2 7 6	£2 15 6	£3 7 3	£4 5 8
3½ per cent.,	1 12 1	1 18 11	2 2 5	2 9 7	2 17 10	3 9 9	4 8 2

The rates actually charged by the offices which we have cited, may easily be compared with these. It will be found that the additions made for management and the security of the concern, even to the 3½ per cent. rate, are very considerable. The aggregate of the above ages at 3½ per cent., is £18, 16s. 9d.; and that of the same ages by the actual rate of the Aberdeen Company, is £21, 4s. 11d., or nearly 12½ per cent. higher; that of the same ages by the Scottish Widows' Fund, is £24, 7s. 11d., or 29½ per cent. higher; while that of the London Amicable, is £25, 11s., or above 35½ per cent. higher.

MORAL DUTY OF LIFE-ASSURANCE.

On this subject we add some remarks from a paper in *Chambers' Edinburgh Journal*, No. 373. They are conveyed in language which is apt to appear unmeasured to one who has not given the subject much consideration—but, we believe, *only to him*.

“Such being the equitable and beneficial principles on which mutual assurance societies are established, it is clear that they present, to men in the enjoyment of income, but possessing little property, a most suitable and favorable means of providing, in a greater or less measure, for the endeared and helpless relatives who may survive them. That only about 80,000 persons in the United Kingdom should have taken advantage of life-assurance, being but one in sixty-two of the supposed number of heads of families, surely affords a striking view of—shall we call it the improvidence of mankind, or shall we not rather designate it as their culpable selfishness? For what is the predicament of that man who, for the gratification of his affections, surrounds himself with a wife and children, and peaceably lives in the enjoyment of these valued blessings, with the knowledge that, ere three moments at any time shall have passed, the cessation of his existence may throw wife and children together into a state of destitution? When the case is fully reflected upon, it must certainly appear as one of gross selfishness, notwithstanding that the world has not been accustomed to regard it in that light. It is unquestionably the duty of every man to provide, while he yet lives, for his own: we would say that it is not more his duty to provide for their daily bread during his life, than it is to provide, as far as he can, against their being left penniless in the event of his death. Indeed, between these two duties there is no essential distinction, for life-assurance makes the one as much a matter of current expenditure as the other. One part of his income can be devoted by a head of a family to the necessities of the present; another may be stored up, by means of life-assurance, to provide against the future. And thus he may be said to do the whole of his duty towards his family, instead of, as is generally the case, only doing the half of it.

“It may be felt by many, that admitting this duty in full, their income is nevertheless insufficient to enable them to spare even the small sum necessary as an annual premium for life-assurance. The necessities of the present are in their case so great, that they do not see how they can afford it. We believe there can be no obstacle which is apt to appear more real than this, where an income is at all limited; and yet it is easy to show that no obstacle could be more ideal. It will readily be acknowledged by every body who has an income at all, that there must be some who have smaller incomes. Say, for instance, that any man has £400 per annum: he cannot doubt that there are some who have only £350. Now, if these persons live on £350 why may not he do so too, sparing the odd £50 as a deposit for life-assurance? In like manner, he who has £200 may live as men do who have only £175, and devote the remaining £25 to have a sum assured upon his life. And so on. It may require an effort to accomplish this; but is not the object worthy of an effort? And can any man be held as honest, or any way good, who will not make such an effort, rather than be always liable to the risk of leaving in beggary the beings whom he most cherishes on earth, and for whose support he alone is responsible?”

¶ The preceding article has been selected from a popular series entitled “Chambers' Information for the People,” and we take the occasion to urge upon our readers the duty which devolves upon every good citizen to insure his life, when there are others dependent upon him directly or remotely, for support.

We should be glad to see effected a combination of a savings' bank with a life insurance company: holding out to policy holders a higher rate of interest upon small deposits, thereby creating additional inducements for savings and means towards a provident fund for the widow and orphan.—EDITOR B. M.

IMPRISONMENT FOR DEBT.

The subject of imprisonment for debt has been annually brought before the legislature of Maryland, for many years, with a view to the abrogation of the system which now prevails in this state. So far as we can learn, Maryland is the only state in the Union in which laws for imprisonment for debt exist, and strenuous efforts have been made to abolish these laws. A bill to this effect passed the house of delegates at the last session but was rejected in the senate.

With a view to show the opinions of able and practical men, upon this subject, we now furnish our readers with the editorial remarks of the *London Times*, and with a communication from Mr. Fane, commissioner of bankruptcy in England, both of which indicate that the effects of abolishing former laws are not looked upon in a favorable light in that country.

The question arises, whether the liability of the person for debt has a beneficial effect, or not, upon society at large. Whether such a liability is in favor of or against the interests of the poor man. In Maryland, the opinions of members of the bar generally and of practical and reflecting men are to the effect that imprisonment for debt as it now exists in the state, or something similar, is necessary for the protection of the poor man. In Maryland, the insolvent debtor who is confined for debt, can be released upon a petition for relief under the insolvent laws, and upon furnishing sufficient security to appear at fixed periods to answer any allegations on the part of creditors.

From the *London Times*.

The abstract idea of a bankrupt law is the simplest in the world. Divested of all the unnecessary details in which modern legislation has involved it, and freed from the encumbrance of judicial decisions and acts of parliament, it presents the form of a single and most intelligible proposition. The proposition, too, admits of the easiest expression:—*Cessio bonorum*—a surrender of property for the benefit of creditors. Here is the true principle, the whole secret. Taking this as our guide, and constantly referring to it at every step, we cannot go far wrong. Whether the business be the construction of a new system, or the repairing of an old one, this single idea will always suffice. It is as the square and plummet to the builder, which he can never lay aside without risk. It is because our legislative builders have disregarded its use, and endeavored to do without it, that our bankrupt and insolvent code has spread out to such a shapeless undigested mass. There is no guiding principle in it, no plan or standard of construction. Therefore it is that parts are always falling down and crumbling to ruin, and the builders must be ever at work to prop and patch and restore. It seems to us that, instead of continually repairing the superstructure, they had better examine the foundations. We are sure they would find them rotten.

A thing that requires constant mending cannot be worth much. One has not only no use of it whilst the mending is going on, but the cost in the end generally exceeds the intrinsic value. A horse that is always sick and in the stable is said to eat its head off. A law that is always being amended, and can never get out of the houses of parliament, is much in the same predicament. It is simply worthless. Better throw away the carcass, and try to get something better. Nothing can be worse than what we have. The chances are certainly in favor of improvement.

And then let us begin at the beginning. The first step should be to abolish the distinction between bankrupts and insolvents, and to establish one code for all debtors. Mr. Commissioner FANE recommended this more than two

years ago, and M'CULLOCH takes the same view in his *Political Economy*. Some statutes of the present reign, indeed, have already discovered a tendency of the legislature in the same direction. The act of 1842, reciting that "it is expedient to protect from all process against the person such persons as have become indebted without any fraud, or gross or culpable negligence, so as nevertheless their estates may be duly distributed among their creditors," places traders whose debts are under 300*l.* and non-traders upon the same footing, enabling them all, without distinction, to obtain protection both for person and property by petition in the court of bankruptcy. This act conferred a great boon upon insolvents, and was, perhaps, not less beneficial to their creditors. It enabled a great number of persons to originate proceedings against themselves, and thus, if they were honestly inclined, to save their property from the grasp of one rapacious creditor. The act of 1839, commonly called the mesne process act, applied, we believed, only to judgment debtors taken in execution, so that no insolvent could obtain the benefit of that law without first suffering imprisonment. Now, as the body could not be taken in execution except in the case of there not being goods enough to satisfy the judgment, it happened as a necessary consequence that when an insolvent was brought before the court for his discharge, he had seldom any assets at all to be divided. One creditor had absorbed the whole for his own exclusive benefit, and the object of a *cessio bonorum* was altogether defeated. The effect of the amended law is in some measure to remedy this evil. An honest man who finds himself in a state of hopeless embarrassment will at once declare his condition, and whilst he obtains a personal advantage by the declaration, will confer a much greater benefit upon the general body of his creditors. Still, however, a distinction was kept up between traders indebted in a larger amount than 300*l.* and other persons. The principle of voluntary surrender of property by all debtors whomsoever was not fully carried out. A statute, it is true, which was passed in the same year as that last mentioned, enable any trader to file a declaration of insolvency, which, however, was only considered as an act of bankruptcy, so as to put the property within the reach of the bankrupt laws, in the event of a fiat being taking out by a creditor within two months after the declaration. But a fiat is a creditor's proceeding, in respect of which he is subject to no control. If no creditor will take it out, the bankrupt is helpless and the law powerless. Each man may pursue the debtor on his own account, and it is a matter of chance whether or not there is any surrender for the general benefit. This state of things remained for two years longer, until an act of 1844, provided that the LORD CHANCELLOR might issue a fiat against any trader upon his own petition. Thus all persons were, in the first instance, put upon the same footing. Any man since then, whether trader or non-trader, may publish his own insolvency, give up his property for the benefit of his creditors, and obtain protection from personal restraint.

We think that this provision of the law is not less wise than merciful. It may, perhaps, appear that an extension of the creditor's power over the person of his debtor is inconsistent with the principle of voluntary insolvency. But the extension that we propose would not be found so in reality. Under the old law, doubtless, the power of the individual creditor was not less opposed to the principle of a good bankrupt law than to every feeling of the commonest humanity. It offered a premium to rapacity and cruelty, and threw the debtor's property as it were into the kennel for a general scramble. We do not desire to restore this law, but to substitute another in its place. It must not be forgotten that whilst we have lately tied the creditor's hands and loosed the debtor's, thus freeing misfortune from oppression and honesty from punishment, we have made no provision against the unreasonable

hopes of the sanguine or the cunning subterfuges of the dishonest debtor. We have before us the outline of a bill which, in its preamble, truly recites the mischief to be remedied:—"Whereas it has been found by experience that the abolition of arrest on mesne process has greatly increased the expense and difficulty of compelling payment of debts, and has enabled debtors to continue to resist their creditors, until the greater part of their assets has been wasted or concealed, or distributed among favored creditors." As a fact, we think that the assertion contained in this preamble is indisputable. So far as we are informed, the opinion of all persons engaged in the administration of this branch of the law is unanimous on the subject. The remedy, however, is not so clear. The matter is full of difficulty, and we cannot say that our own judgment is altogether satisfied with the proposed enactments of the bill alluded to. Deeming them, however, well worthy of consideration, we publish them as a conclusion to our present remarks:—

"No writ of *capias ad respondendum* shall issue against any person, except upon the order of one of the London or district commissioners of her majesty's Court of Bankruptcy."

"No commissioner of the Court of Bankruptcy shall issue such order unless the creditor applying for the same shall file in court an affidavit, stating the particulars of his debt; and if the debt shall be on balance of account, or shall consist of more items than one, then annexing to his affidavit an account, commencing with the time when the account was last stated and agreed between himself and his debtor, if ever, and showing every subsequent item, and the balance."

"No commissioner shall issue such order unless the party applying for the same shall show to him a clear *prima facie* case of debt due, and shall make affidavit that the payment thereof has been twice demanded by letter, sent by post, addressed to the debtor at his last known place of residence according to the usual and ordinary course of business; and that the second letter was sent not earlier than one week after the first letter, nor earlier than three weeks before the day of application to the court."

"The commissioner, before issuing such order, shall be careful in examining into the reality of the debt alleged to be due, and into its nature and consideration; and shall, for that purpose, require of the creditor demanding such order the production of such books and papers and writings as may be necessary to evidence the reality of the debt; and shall also require the personal attendance of the creditor, or, in cases where the debt is alleged to be due to more persons than one, of one of such creditors, unless under special circumstances he shall think fit to dispense with such attendance."

"As soon as the alleged debtor shall be taken under such writ of *capias*, he shall be brought forthwith before a commissioner of the Court of Bankruptcy, and shall be at liberty to show either that the debt or any part thereof is not due, or that there is so much doubt about the reality of the debt as that the creditor ought to be left to establish his right in the proper court of justice before being permitted to issue a *capias* against the debtor; and for such purpose shall have liberty to examine the person or persons at whose instance the *capias* issued, and to produce such books, papers, and writings as he may think necessary to explain his case, after which the commissioner may either discharge the party arrested, or order him to give bail, with two sufficient sureties, in such sum as shall appear to the commissioner to be actually due, for the payment of such sum as may thereafter be adjudged to be due, pursuant to such judgment when made."

"The party arrested shall be entitled to his discharge on payment into court of any sum for which the commissioner shall order him to give bail."

From the London Bankers' Magazine.

We have great pleasure in submitting to our readers the following important and interesting paper, by Mr. *Commissioner Fane*, to whom the trading part of the community is much indebted, and whose experience of many years as Commissioner of the Court of Bankruptcy, entitles his opinions on the law of debtor and creditor to great respect.—*Ed. Lond. B. M.*

This paper has reference to two points, submitted to the committee of "the society for promoting the amendment of the law," viz.

1st. To consider the present state of the laws relating to imprisonment for debt, and the means of giving more efficient and complete power over the property of, and punishing, fraudulent debtors.

2nd. To consider how far the process of county and other courts for the recovery of small debts, can be made consistent with the abolition of imprisonment for debt.

I shall assume for the present that credit is beneficial, and ought to be protected and encouraged. I am aware that an opinion prevails very extensively amongst the richer classes, that credit ought not to be encouraged, that it ought rather to be checked; but this is a one-sided opinion; it is the opinion of those who *take* credit, and seldom *give* it, except in large sums, and upon security received; who, therefore, scarcely ever lose, and who, in the event of difficulty arising, have property mortgaged or pledged to resort to for payment. It is, moreover, the opinion of a class who, so far as they perceive the effect of credit in the cases of the junior members of their families, see that its results are frequently most mischievous, that it is an incentive to extravagance and folly, and the occasion of great unhappiness to innocent persons. Their opinion, therefore, is not that of unprejudiced persons, but of persons who only see half the truth. To obtain a correct opinion, we ought to inquire of those classes, the necessities of whose business compel them to trust without security, the daily business of whose lives it is to take credit and to give it, who can say of themselves, *petimusque damusque vicissim*. They alone are fair judges, because they alone are sensible of the evils which flow from the want of protection; and in asking the power of coercing their own debtors, they ask for a power which, on a reverse of fortune, may be used against themselves.

Assuming then, for the present, as indeed the law itself does, that credit ought to be protected, the question is, whether process against *property* alone will suffice to protect it; whether process against property, unaided by process against the *person*, is not, practically speaking, a delusion. Now I do not hesitate to state, as the result of twenty years' experience in administering the law of debtor and creditor, and as the result of much consideration and reflection, that process against property, unaided by process against the person, is *a mere delusion*; and for this reason, that upon the power of ultimately proceeding against the person, if necessary, depends the efficacy of all previous process, the efficacy of the summons, the efficacy of the order to pay, and the efficacy of the process against the goods. If the power of proceeding stops with process against the goods, and the debtor knows that the law is so, he will argue, that if he lives in lodgings and has no goods, or, if having goods, he can get his landlord (who in too many cases is willing to help him, so long as he pays the rent regularly,) to say the goods are his, having been seized by him for rent, or if he can get any friend to say they are his, all is safe; he may safely incur what debts he pleases, safely defy the summons, safely defy the order to pay, (for they neither of them, unsupported by process of some sort, amount to any thing,) and he may even safely defy the process against the goods.

He may safely defy the process against the goods, because it is so easy to transfer the property to another person, and so expensive and so hazardous for a creditor to try the question whether the transfer was *bona fide* or not. The debtor may postpone the transfer to almost the last moment, for he need not take any step until the creditor has shown not only that he is in earnest, but that rather than forego his right and submit to be cheated, he will incur all the intolerable expenses of a law-suit, the several steps of which are,

1, taking out a writ; 2, filing a declaration; 3, calling for a plea; 4, joining issue; 5, making up the record for trial; 6, collecting evidence; 7, preparing a brief; 8, providing counsel; 9, obtaining a verdict; 10, entering up judgment; 11, taking out execution; and 12, employing a sheriff's officer to seize; and all this even in the clearest case. In nine cases out of ten, creditors seeing the expensiveness of the process, abandon their rights in despair;* they do so even now, when they have some means of at least punishing a knavish debtor; but they will do so still more when all hope even of punishment is gone. Supposing, however, that some creditor, under the influence of a just indignation, resolves to proceed, and regardless of expense and risk, does proceed to judgment and execution; the debtor has then three courses open to him.

1st. He may assign all his property to a trustee in trust for his creditors.

This looks fair enough; the trustee, however, need not perform his trust, because no man can compel him to perform it, but by means of the court of chancery; and the court of chancery would of course, in all small cases, waste the whole fund in inquiring what was the proper application of it; and even if the creditor could treat the assignment as an act of bankruptcy, and apply to the court of bankruptcy, even that court could not deal with a case at a less expense than about £100: if, therefore, the assets are under £100 when such a trust is created, the creditor is for all practical purposes without remedy, and the debtor is safe.

2nd. The debtor may assign his property to a friendly or a fictitious creditor, in satisfaction of a real or pretended debt; and,

3rd. He may submit to a judgment or a judge's order, and execution founded upon it in favor of a friendly or a fictitious creditor.

One of the two last methods is the one usually adopted, and the practical result is, that in the great majority of cases, when the creditor becomes fully alive to the difficulty of the task before him; when he sees that instead of the judgment and execution in the suit against his debtor ending the litigation, and putting him into the possession of his rights, it only introduces him to a new contest with another knave, an entire stranger to him, probably a man of straw, he abandons his efforts altogether, or if he does not and enters into the contest, he is defeated. Consider the nature of such a contest. If I go into court to prove that you contracted with me, and ask the court to compel you to perform your contract, it is my fault if I cannot prove my case, because the evidence of it ought to be in my own power; if I rely on a contract, the contract, unless I have been negligent, would be in writing,

* To test the above statement I directed the schedules of eight insolvents, whose cases came before me on the 10th of July, 1845, to be examined, and I obtained the following return, by which it would seem that only one creditor in eight ventures to attack his debtor.

10th JULY, 1845.

Name of Insolvent.	Number of Creditors.	Number of Creditors who had sued.
Dyer,.....	61	8
Colwell,	29	7
Aldons,	38	4
White,	12	1
Salmon,.....	23	—
Apperly,	14	—
Morton,.....	31	1
Richards,.....	8	5
	<hr/> 216	<hr/> 26

The extreme improbability of being sued makes men knaves who, under a better system, would act honestly. Moderate punishment is real kindness.

and I could produce it, or it would be an implied contract, arising out of the delivery of goods by me, or in consequence of my having rendered you some service or the like; and I could prove the delivery of the goods or the rendering of the service by my servants, and again my case would be clear; but if I go into court to prove, not a transaction to which I was a party, but a transaction to which two other persons were parties—my knavish debtor and his accomplice—or rather to disprove such a transaction, I am utterly powerless—I am as helpless as a blind man would be in a contest with two thieves, each seeing perfectly well, and each a perfect master of his weapons. Into such a contest no prudent man would ever enter. Observe the course of it; the sheriff goes to seize, the accomplice claims the goods, the sheriff declines to seize unless I will indemnify him; I agree to do so, and he seizes; an action is then brought against him or me, I defend it, and the question as to the right comes to be tried. The plaintiff, the accomplice, proceeds to prove his case; he can do it with the greatest ease; he produces his bill of sale, or his judgment and execution, and an I O U, or a bill of exchange, or promissory note, to prove the debt. I have no possible means of disproving it; I perhaps challenge him to prove the consideration; he calls my debtor, my enemy, to prove it; the allegation is, that it was money lent; my enemy swears he borrowed and received the money, and the case is disposed of; the oath of the witness, my knavish debtor, and the production of the I O U, promissory note, or bill of exchange are conclusive. I have nothing to oppose to them but suspicion, and it is notorious that judges and juries will not allow suspicions, however weighty, to weigh against oaths.

The result is, that I sustain three losses: 1st, I lose my debt; 2nd, I lose the expenses of the first trial; and 3rd, I have to pay the expenses of both sides of the second trial.

Such is the protection which the law will give to creditors when imprisonment for debt is abolished, and such the encouragement which it will give to debtors to cheat. Am I not justified in calling such protection a mere delusion?

If it be said that creditors can have recourse to the bankrupt law, the answers are, 1st, that unless your creditor is a trader, you cannot make him bankrupt; 2nd, that nineteen debts out of twenty are under £20, and are therefore not within the direct protection of the bankrupt law; 3rd, that the bankrupt law, unaided by the law of imprisonment of the person, is very ineffective, because it affords no effectual means of forcing a debtor to commit an act of bankruptcy; and, 4th, that under the bankrupt law there is practically no punishment for fraud.

But not only is the remedy given to the creditor by seizure of property delusive, and therefore useless to the creditor, it is actually injurious to him, because it enables his debtor to cheat him under the forms of law—to cheat him without appearing to do so.

In considering this point, we need not embarrass ourselves with the case of an *honest* debtor: if a debtor is honest and can pay, he will pay, and if he cannot he will declare himself insolvent, and will take the necessary steps to bring about a fair distribution of his assets: with such a man, therefore, we need not embarrass the subject. Let us, then, take the case of a *dishonest* debtor—a very numerous class. How is it possible for an honest creditor, acting hostilely, to seize the goods of a dishonest debtor? Seizure of goods cannot take place without ample warning to the debtor, except in the case of judgments entered up under warrants of attorney, which, in nineteen cases out of twenty, are themselves instruments of fraud. Now a dishonest debtor can at any moment make a sham creditor, the sham creditor can bring

his action, the debtor can give every facility to the proceedings of the sham creditor and delay those of the real one, the sham creditor wins the race, gets judgment and execution first, and the real creditor finds his expected prize snatched from his grasp.

But not only is the property snatched from his grasp, it is snatched from his grasp with all the appearance of *involuntariness* on the part of the debtor: one knows perfectly well what the real fact is, that the transaction is voluntary—one cannot doubt it; one sees that the fortunate creditor is a father, or a son, or a father-in-law, or a son-in-law, or a public house companion, &c.; still it must be admitted that these are the very people who, from their connexion with the debtor, are likely to have lent him money, and, from their familiarity with him, are likely to know his circumstances; they say the debtor did not tell them how he was situated, or give them any hint that they had better take care of themselves; they say they noticed suspicious circumstances; and no one can deny that they might have done so: of course the dishonest debtor is much too crafty to disclose the truth, and thus betray himself and his relation or friend, who, as soon as the storm has blown over, is to set him up in business again, and the result is that the creditor is cheated. If the debtor had not been able to cover the transaction by an appearance of hostility between the alleged creditor and himself, and a seizure under the law, he must have preferred his creditor by a bill of sale, or some *voluntary* act, and then, when he came before the court, the court would say, why did you not act fairly by your creditors? and when you could not pay *all*, why did you not offer a proportionate part to *each*? and if your offer was rejected, why did you not appeal to the law, declare your insolvency, and put your property in a fair course of distribution? And to all this the debtor would be without answer. By permitting the mischievous system of seizure under the law, you enable the two knaves—the knavish debtor and the knavish sham creditor—to make the transaction look as if it was an *involuntary* one, and therefore excusable.

But these are not the only evils incident to the law of seizure for the benefit of individual creditors—there are many others: one is, that even if the seizure be entirely untainted with fraud, it is utterly unjust towards the body of creditors. If the debtor really cannot pay the creditor who sues, he is an insolvent; for if I cannot pay *one* of my creditors, of course I cannot pay *all*, and I am therefore an insolvent; what justice is there in enabling, in such case, *one* of the creditors to seize and pay himself in full, and leave the rest to take a dividend only—perhaps a dividend of *1s.* in the pound, perhaps *6d.*, perhaps *1d.*? It is a maxim of the court of chancery that equality is equity—is such *inequality* equity also?

Another evil is, that, in consequence of the existing system of racing among creditors (real and sham,) the property is frequently pulled to pieces in the struggle; in *scrambling* for it, it is rendered useless, or nearly so, to all. A few months ago, a race took place at Southampton between two creditors, each of whom had taken out execution and seized, and the petitioning creditor to a fiat, who had sent down the messenger from the court of bankruptcy. The property seized was a hair-dresser and perfumer's stock. One of the execution creditors and the sheriff's officer acting in his interest, threw a great deal of the perfumery out of the window, thinking, I suppose, that that was the quickest mode of getting it into the street, and carrying it away. The result was, of course, the destruction of the property. An action was brought by the assignees, but failed; the judge, in conformity to the law maxim, *vigilantibus et non dormientibus inservit lex*, holding that the law helped those who *helped themselves*. Such, indeed, are the natural results of the law preferring a system of *scrambling* to a system of orderly distribution.

Another evil of the system is, that there is no known rule by which the sheriff is bound to proceed in realizing the property which has been seized; he must sell it, undoubtedly, but he may sell it very much according to his own discretion or rather fancy; or, which is a much worse thing, the *fancy of his underlings*. I inquired the other day of an attorney in great practice, and he informed me, that the general opinion was, that the sheriff was not bound to employ an auctioneer, or to give any other notice of the sale than that of ringing a bell in front of the house where the sale was to take place; and the consequence is, that it only too often happens in sales under the sheriff, that there is a most lamentable sacrifice of the property seized, for the benefit of the lower class of sheriffs' officers and brokers in league with them, to the injury of the debtor and his general creditors, and with an advantage to the individual creditor, if any, which he ought not to enjoy.

Another evil is, that the law of seizure enables the most fraudulent debtors to do what every prudent knave constantly does, that is, make so *clean a sweep* of his property, that there shall not be forthcoming even the wherewithal to pay the expense of obtaining a fiat of bankruptcy, and inquiring into the circumstances of the case. Generally speaking, a creditor will not stir if the expense is to come out of his own pocket; he is sufficiently disheartened by his first loss to be very unwilling to expose himself to any further risk: if therefore, he finds that there is a person in possession, under a seizure by the sheriff—under a seizure apparently sanctioned by the law—he lies down quietly under his misfortune, which he submits to as a thing irremediable. If no such law of seizure existed, then the debtor could not rescue the *whole* of his property; the only fraud he then could perpetrate would be the procuring accomplices to prove sham debts, and hand over to him the dividends; this, however, would be a hazardous undertaking, and not a very promising one, if there were any funds to pay the expense of inquiry.

If these views be correct, it would follow—

1st. That the remedy given to creditors by seizure of goods under a *fi. fa.* is a delusive remedy; and,

2nd. That such remedy, instead of being beneficial to the creditor whom it is intended and supposed to assist, actually prejudices him, by enabling the debtor more effectually to cheat him under the forms of law; and, therefore, so far as relates to this branch of the subject, the power which each creditor now possesses of seizing his debtor's goods under a *fi. fa.*, for his *own exclusive benefit*, is a mischievous power which ought to be abolished.

IMPRISONMENT IN GREAT BRITAIN.—In Great Britain the persons of peers, and members of parliament are exempt from imprisonment for debt. Clergymen performing divine service privileged from arrest, 50 Edw. III, 1375. Seamen privileged for debts under £20, by act 30 Geo. II, 1756. Barristers are privileged from arrest while going to, attending upon, and returning from, court, on the business of their clients. By statute 29 Charles II, no arrest can be made, nor process served, upon a Sunday. This law was extended by William III. Vexatious arrests prevented by act, May, 1733. Prohibited for less than £10, on process, 1779; and for less than £20, July, 1827. Arrests for less than £20 were prohibited on mesne process in Ireland, in June, 1829. Statute abolishing arrest for debt on mesne process, except in cases wherein there is ground to show that the defendant designs to leave the country, 2 Vict. August, 1838.

LEGAL MISCELLANY.

Recent Decisions in the Courts of Ohio.

From Hunt's Merchants' Magazine.

LETTER OF CREDIT.

When a letter of credit is addressed to a particular firm, no one else can rely on it as a guaranty.

The vendor of a bill of goods, upon the faith of a letter of credit, must give notice at once to the guarantor, or he will not be liable.—*Taylor et al vs. Wetmores*, 10 Ohio, 490.

BILLS OF EXCHANGE.

The holder of a bill of exchange, drawn by a person living in one state, upon a citizen of another state, is relieved by the statute of Ohio from the necessity of procuring a notarial protest, except for the purpose of recovering the statutory damages.—10 Ohio, 496.

Such bills are so far foreign bills under our statute, that the notarial protest is received as evidence of the facts stated in it. The holder may treat them as foreign, by having them regularly protested—which entitles him to 6 per cent. damages, over and above principal and interest; or as inland, and make his proof of demand and notice.—10 Ohio, 180, *Case vs. Heffner*.

A promissory note, payable to a person or bearer, is negotiable by delivery, without endorsement. But a sealed bill or note in the same form, is negotiable only by endorsement.—14 Ohio, 542.

The mere endorsement upon a note, of a stranger's name in blank, is *prima facie* evidence of guaranty.—13 Ohio, 239.

To charge such a person as *maker*, there must be proof that his endorsement was made at the time of execution by the other party; or, if afterwards, that it was in pursuance of an agreement or intention that he should become responsible from the date of the execution. Such agreement or intention may be proved by parol, and the rule is the same whether the instrument be negotiable or not.

COMMON CARRIERS.

Proprietors of stage coaches are common carriers, and their liabilities cannot be limited by actual notice to a traveller that his baggage is at his own risk.

A watch is part of a traveller's baggage, and his trunk is a proper place to carry it in. Whatever forms the necessary appendages of a traveller, may be legitimately considered as baggage, and placed in his trunk for conveyance. However valuable an article of baggage may be, the owner is not bound to disclose such peculiar value to the carrier, unless inquiry be made.—10 Ohio, 145, *Jones vs. Voorhees*.

BILLS OF EXCHANGE—STAMPS.

A case in the English court of common pleas, lately reported, *Steadman v. Duhamel*, 1 Com. Bench. R. 889, suggests the necessity of increased caution in negotiating bills of exchange, purporting to be drawn in foreign countries. The facts were as follows: The plaintiff, Steadman, became

endorsee for value of a bill for £58, payable in London, but written in the French language, and dated at Vichy, a town in France. The bill not having been paid at maturity, the endorsee brought his action against the acceptor, Duhamel; and upon the production of the bill, which was not stamped, it was objected to, and to support the objection, evidence was given, that though purporting to be a foreign bill, it was really drawn in London. It further appeared, that the bill was drawn in the form of a foreign bill, at the express suggestion of the defendant, and the plaintiff, when he took the bill, had no reason to suppose it was other than it appeared upon the face of it to be. Lord *Denman*, who tried the cause on circuit, allowed the bill, under the circumstances, to be read in evidence, reserving leave, however, to move to enter a nonsuit, if the court should be of opinion that the defendant was not estopped from raising the objection that the bill was unstamped.

In arguing the case in the court above, the plaintiff's counsel relied mainly on the ground, that the defendant having allowed the bill to go into circulation as a foreign bill, ought not to be permitted to set up his own fraud as an answer, to an innocent holder who received the bill *bona fide* and without notice of any irregularity. Several authorities were cited as expounding the rule of law laid down by the Queen's Bench in *Pickard v. Sears*, 6 Ad. & El. 469; 2 Nev. & P. 488. See also *Gregg v. Wells*, 10 Ad. & El. 90; 2 P. & D. 296; *Pitt v. Chappelow*, 8 Mees. & W. 616, & Sug. Vend. & Pur. 10th ed. vol. 3, p. 428, "that where one by his words or conduct, wilfully causes another to believe the existence of a certain state of things, and induces him to act on that belief so as to alter his own previous position, the former is excluded from averring against the latter the existence of a different state of things at the time."

The court, after taking time to consider, intimated that the doctrine of estoppel was not strictly applicable to the case, and that the decision of the question must be governed by the provision of the stamp act, 31 Geo. 3, c. 25, s. 19, which is incorporated in the latter acts, and enacts that no bill or note, liable to the duty, shall be pleaded or given in evidence in any court, or admitted in any court to be good, useful, or available in law or equity, unless stamped. The judgment proceeded on the ground that whenever it appeared on a trial, that an instrument tendered as evidence was not properly stamped, the objection strictly was one to be made by the court; and there was no reason, either upon principle or authority for saying, that when such an objection was taken by a party, the court should not give effect to it. It was therefore determined, that the bill ought not to be received in evidence, and that the verdict taken for the plaintiff, must be set aside and a nonsuit entered.—*N. Y. Legal Observer*, May, 1847.

COMMERCIAL GUARANTEES.

A case of some interest to the mercantile community, was recently (December, 1846,) tried in the Commercial Court, at Memphis, Tennessee. The questions raised were upon the doctrines of commercial guarantees. A house at New Orleans shipped to this place goods for a merchant formerly in business here. The goods upon their arrival were detained by order of the sellers, until the purchaser should obtain a friend to guarantee payment of them. The guaranty was procured in writing. Its terms were substantially—"We understand Mr. H. J. proposes to do some business with you in the way of groceries, &c. We will be responsible with him for any con-

tract he may make with you of this kind"—and it was addressed to the sellers. Testimony was given unnecessary here to detail.

The questions chiefly discussed were, whether notice of the acceptance of the guaranty was given to the guarantor—whether such notice was necessary to fix his liability—and whether it was necessary before seeing the guarantor, to give him notice of the default of the principal debtor to pay.

For the plaintiff it was insisted—that this was an absolute guarantee, not a mere proposal or overture to become guarantor—that notice of acceptance is only necessary in the case of a proposal or overture, not in the case of an absolute undertaking—that where the proposition or requisition of guaranty proceeds from the creditor to the guarantor, and thereupon the guaranty is given, notice of its acceptance is not necessary—that the omission of the creditor to give the guarantor notice of the default of the principal debtor to pay, is material only where such omission works an injury to the guarantor, and is not a pre-requisite to the right of action by the creditor against the guarantor. To sustain these positions of the plaintiff, were cited numerous British authorities and several recent decisions in the state of New York.

For the defendant it was argued—that there was no proof of notice given to the guarantor, either of the acceptance of the guaranty or of the default of the principal debtor to pay—that in regard to the necessity of notice, the distinction taken for the plaintiff between absolute guarantees and overtures, was unsound—that in all cases of guarantees of debts to be subsequently contracted, notice of the acceptance of the guaranty must be given to the guarantor in reasonable time, otherwise he will not be fixed with liability—and that notice of the principal debtor's default to pay, must be given to the guarantor, as a pre-requisite to a right of action against him.

Several cases in the supreme court of the U. S. were cited on the part of the defendant, and it seemed to be agreed, that these cases hold in regard to guarantees of debts to be subsequently created, that notice to the guarantor of the acceptance of his guaranty, is indispensable to fix his liability.

Verdict went for the plaintiff, and mainly, it seemed, upon the ground that where the proposition for the guaranty proceeds from the creditor to the guaranty, therefore he gives the guaranty; notice of its acceptance from the creditor to the guarantor is unnecessary. Certainly it is prudent in the creditor, in all cases of guaranty, to give notice in reasonable time to the guarantor of its acceptance and of the extent to which it is acted on, and of the default of the principal debtor to pay.—*Hunt's Merchants' Magazine*.

BILLS OF EXCHANGE AND PROMISSORY NOTES.

Decisions of the Maryland Court of Appeals.

A party may waive the privilege of claiming notice of protest, as he may any other right which the law has secured to him.—*Whiteford vs. Burckmyer & Adams*, vol. 1 *Gill's Maryland Reports*, 127.

Under an allegation of notice of protest to an endorser in the declaration, the plaintiff may show a waiver of the right by the defendant.—*Ib.*

The necessity for plain and satisfactory proof as to the *time of service* of notice of non-acceptance, where that is material, has always been insisted on; it may be proved by circumstantial testimony, but the circumstances must point *not to notice at some time*, but to notice on the day when the party had a right to expect and receive it.—*Ib.*

Where the holder of a bill of exchange, in *Baltimore*, sends it to a distant place, as *Charleston, S. C.*, for acceptance, and it is not accepted, the plain-

tiff, in an action against an endorser, must show presentment for acceptance and refusal, and notice duly transmitted from *Charleston* to the endorser, by mail, or if the notice to the endorser was sent by mail to the holder in *Baltimore*, that he delivered it within one day after the arrival of such notice in Baltimore, and the burthen of proof is on the plaintiff to show such notice given.—*Ib.*

Where the entire and exclusive interest in a bill is vested in the holder thereof, he cannot institute an action upon it in the name of another party.—*Ib.*

Possession of a note endorsed in blank will enable the party having it to maintain suit, except *mala fides* be proved.—*Ib.*

Courts of justice will never inquire in such cases, whether a plaintiff sues for himself or as trustee for another, nor into the right of possession, unless on an allegation of *mala fides*.—*Ib.*

Blank endorsements may be filled up at the moment of trial.—*Ib.*

If a bill has been transferred by endorsements, all of them in full, it can only be sued on by the special endorsee.—*Ib.*

A bill payable to bearer, or a bill payable to order, endorsed in blank, will pass by delivery and bare possession, is *prima facie* evidence of title.—*Ib.*

If an agent receive a bill with all the endorsements in full, and the last in full to his principal, the agent cannot sue in his own name, or if the endorsements are in blank, and he were to fill it up to himself or his principal, it could not be sued on in the name of a stranger.—*Ib.*

Since the act of 1825, ch. 35, any holder with a blank endorsement may now sue in his own name, but that act cannot be construed to extend the right of action to one who has no interest in the bill, either as holder or owner.—*Ib.*

An admission of notice by a defendant, endorser, is evidence on which the jury may find notice, in due time, and in due form.—*Ib.*

An action will lie upon notice of presentment, and non-acceptance of a bill of exchange, without waiting for demand of payment at the maturity of the bill.—*Ib.*

The holder is not bound to present a bill payable on a certain day after date, for acceptance, unless he be an agent to get it accepted, or to collect it. If it be presented, and acceptance is refused, it is dishonored, and immediate notice must be given to the parties who are to be charged.—*Ib.*

The act of 1837, ch. 253, was designed to extend the credit which, by the courtesy of commercial nations, had been given to the certificate of a notary public.—*Ib.*

The certificate of a public notary had been received as *prima facie* evidence of the presentment by him for acceptance or payment, and of his protest of the bill for non-acceptance or non-payment.—*Ib.*

The act of 1837, ch. 253, extends this doctrine as well to inland as to foreign bills or notes, as to notice sent or delivered in the manner stated in the protest.—*Ib.*

It is not necessary that notice of protest be sent by mail, and a party is not bound to be more expeditious or certain than the mail.—*Ib.*

Notice, if sent by mail, need not be enclosed to the address of the party to be charged. If it be received by him in due time, he cannot object to the mode of conveyance.—*Ib.*

Where the protest does not show notice of dishonor transmitted to the party to be charged, that fact may be supplied by other proof.—*Ib.*

Upon a note made in *Louisiana*, bearing ten per cent. interest until paid, this court will enter judgment accordingly.—*Nelson & wife vs. Bond*, 218.

Where a note is executed by an agent, before it is admissible in evidence

it is necessary to prove, not only his signature, but the authority by which it is made.—*Worthington vs. The Savage Manufacturing Company*, 284.

Where by the terms of a charter, a manufacturing company had no power to assume the responsibility of a surety, the note of such a company executed upon no other consideration than as surety, is void.—*Ib.*

FREIGHT—DELIVERY OF MERCHANDISE.

In the fourth district court, (New Orleans,) Judge Strawbridge recently decided, (January, 1847,) in the case of *Andrews & Dewey vs. Troisgros & Lampre*, which was an action brought by the plaintiffs for the recovery of freight upon certain goods shipped from Havre, and consigned to the defendants—that a delivery of goods upon the levee, with notice to the consignee, was a sufficient delivery; and from the time of such discharge by the ship, the goods were at the risk of the consignee. Judgment accordingly. Counsel for plaintiffs, Samuel C. Reed, Jr., Esq.; W. S. Upton, Esq., for the defence.—*Hunt's Merchants' Magazine*.

BILL OF EXCHANGE—BILL OF LADING.

In the Fourth District Court, (New Orleans,) Judge Strawbridge, presiding—*L. A. Benoist v. T. G. Keyburn*.

This was a suit brought on a bill of exchange drawn on Seccomb, Brooke & Adams, of N. Orleans, dated at St. Louis, and payable ten days after sight; said bill purporting to be drawn on a special consignment of produce shipped on a certain steamboat. The holder of the bill, it appears from the evidence, presented it at the house of Seccomb, Brooke & Adams, and demanded payment. Accompanying the bill of exchange was the bill of lading of the produce drawn upon. The clerk of the drawees requested the bill to be left for the consideration of the house, which the holder refused, and left with the bill, which he had protested for non-acceptance, and on which he now brought suit against the drawer.

C. M. Randall, for plaintiff, contended that the defendant had not negatived the presumption that he got the produce drawn on; that there was no sufficient proof that there was any such produce, or any bill of lading; that the defendant had not shown that they demanded, or required, the delivery of the bill of lading, if there was any; that this was an ordinary commercial bill which it was the duty of the drawees to accept on presentation.

A. Walker, for defendant, argued that the holder of the bill had been guilty of *laches*. First, by his refusal to leave the bill with the drawees for consideration, as the mercantile usage of New Orleans required to be done in the presentment of bills drawn after sight; and, secondly, by refusing or failing to tender the bill of lading of the consignment at the time of presenting the bill. Applying the principle established by the Supreme Court in the case of *Lanfear & Co. vs. Blossman*, it was contended that the holder of a bill drawn on a special consignment stood to the drawee thereof in the relation of vendor to vendee; that the produce was the thing sold, and the acceptance of the bill the price given; that the holder must first tender the thing sold before he can demand the price; in other words, that the holder of the bill must tender the bill of lading before he can demand of the drawees

the acceptance of the draft. The omission to tender the bill of lading released the drawer.

Judge Strawbridge sustained the points made by the defendant; remarking that he understood the law on this point to be settled and well understood long before the decision of the Supreme Court in the case of *Lanfear & Co. vs. Blossman*. That, in all cases of bills drawn on special consignment, law and usage require the holder to put the drawee in possession of the property drawn upon. The neglect to do this, as well as the neglect to leave the bill with the drawees for consideration, exonerated the drawer. Judgment for the defendant.

FORGED CHECKS.—NEW BANK.

The extensive forgery committed on Coutts and Co. London, by changing a cheque for 5*l.* into 5,000*l.* has excited considerable interest in banking classes. It appears that the alteration was not made by the addition of ciphers, but by the obliteration of the original writing by a chemical process, and the substitution of a larger amount. The *Times* justly observes, "had there been a colored surface on the cheque, it would have been next to impossible to obliterate the ink without raising suspicion by discoloring the surface also, but the cheques in this particular house are uniformly white, with the exception, of course, of the words in print." This fact supplies a suggestion worthy the attention of bankers.

A company has been started bearing the title of the "National Security Bank," which purposes to confine its business to the receipt of deposits, to be employed only in the investment of exchequer bills, India bonds, and the public funds; avoiding altogether the discounting business. It is proposed to allow 1½ per cent. on special deposits for more than a week, the "dexter" halves of exchequer bills, or India bonds to the amount being given to the depositor as a security if required; sums under 10,000*l.* to be redrawn without notice, if above that sum, at one day's notice. It is, however, seldom that money will not command more than the proposed rates of interest, if lent on the stock exchange, on public stock, or exchequer bills, and still more if lent at "call" to the brokers in Lombard street. The bank in question, would have nothing in its nature to induce a regular set of special customers, as it would not do all the branches of a banking business; but it would no doubt be a considerable facility to some parties, and even to other bankers, if there was an establishment ready to receive money at a specific rate of interest at all times for such short dates. The great question will be, whether the amount of business which could be done would be such as would secure a sufficient profit on such investments as are proposed; and, moreover, to make good the balance of losses which might arise between the purchase and sales of public securities. As a banking security, first class bills are infinitely better and safer than any securities the value of which is likely to be affected, and most seriously so by any change which causes a pressure for money. Whatever change takes place, bills maintain their full value, and, if well endorsed, are as safe as any other securities, while consols or exchequer bills may fall in price at the very moment when they are required to be converted.

GENIUS.—Windham said, forty years ago, that the most ingenious and admirable suggestions he received, when secretary at war, were dated from the Fleet prison, and we have no doubt that now, while we write, some of

the most ingenious inventors in London are pining in poverty. Let a man, however, be brazen, ignorant, loud in his own praise, without any sense of shame, or the slightest feeling for others, and let such a hard callous, brutish, ignorant being proclaim himself a great public benefactor, and straightway we "take the drunkard for a god," fill his pockets full of money, and slaver him all over with the nauseous slime of an ignorant and interested adulation. It was but the other day we subscribed 20,000*l.* to testify public approbation of a man who had never invented anything touching railways, or anything else—but who, from having kept a linendraper's shop at York, had become a fortunate speculator in the system—had become an M. P., and the purchaser of a house in Carlton gardens. And this was done at a time when the inventor of the system, which had achieved such national good, was selling glass on commission, at Exeter, and in vain applying to be made a secretary to one of the companies, which would never have been in existence but for his book. It was done at a time, too, when the public raised no testimonial to a noble minded surgeon, who had sacrificed his life in attending on the crew of a ship suffering from yellow fever, and when they could only spare a few pounds to cheer the declining years of noble Mrs. Ritson, the heroine of Matagorda.—*London Economist*.

THE CONTINENTAL FORGERIES.

The two forgers, Theodore Herweg, *alias* Romanzow or Raumanzow, and Knapps, have undergone several interrogations before the magistrates, and several witnesses have also been examined. It appeared that Romanzow scarcely ever remained in one apartment more than a quarter of a year, and was to leave that in the Rue d'Anjou, where he was taken, in October. He never went out, and was not visited, during the time he stayed there, by more than three persons. The preliminary proceedings are likely to occupy several months, on account of the evidence which will be required from several foreign countries. Knapps is confined in the prison of the Madellonnettes, and Romanzow in that of St. Pelagie. The thirty-two notes found upon Romanzow were for 100*l.* each, and not for 5*l.* as was at first stated. Both the prisoners have made a full confession. Romanzow stated that, after having so narrowly escaped from arrest on the 6th January, 1832, when the woman Danelle, and Pressel, the native of Wurtemberg, were surprised at Passy, where he, Romanzow, had set up a press, he got over the frontier into Switzerland, and made his way into Italy, where he lived for four months upon a sum of money that he took with him. Fearing an application for his extradition, he returned to France, thinking he would be able the more easily to conceal himself there. His resources were then reduced to two genuine Bank of England notes for 100*l.* each, and he conceived for the first time the idea of imitating them. But the difficulties he had to contend with were so great, that he was for two years working assiduously before he could succeed; living in the most parsimonious manner upon one of the notes, being obliged to keep the other as a model. At the end of the two years he found that he had produced a perfect forgery; but not daring to trust the uttering of his false notes to any third person, he issued them himself, and in three days exchanged twenty-six of them for 100*l.* each, at different money-changers' offices. He then stopped, and travelled till he saw the effect produced upon the Bank of England. At the time of his last capture, Romanzow was engaged, with the assistance of his accomplice Knapps, in manufacturing a greater number of notes of the Bank of England, with the intent, as he says, of raising 100,000*l.*, with which he hoped to get over to America, and there live an honest life.—*Galignani*.

STATE FINANCES.

STAMP ACT OF MARYLAND.

Section 1. Be it enacted by the general assembly of Maryland, That from and after the first day of May next, there shall be levied, collected and paid, the several stamp duties following, to wit: for every skin or piece of vellum, or parchment, or sheet, or piece of paper, or other material, upon which shall be printed or written, any or either of the instruments of writing, following, to wit: on every bond or obligation, with a collateral condition of any kind or nature whatsoever, the penalties whereof shall be above the sum of \$100, 10 cents.

If above	\$200 and not exceeding	\$300,	15 "
"	300	" 500,	25 "
"	500	" 1,000,	50 "
"	1,000	" 1,500,	75 "
"	1,500	" 2,000,	\$1 00
"	2,000	" 3,000,	1 50
"	3,000	" 4,000,	2 00
"	4,000	" 5,000,	2 50
"	5,000	" 7,000,	3 50
"	7,000	" 8,000,	4 00
"	8,000	" 10,000,	5 50
"	10,000	"	6 00

Section 2. And be it enacted, That from and after the period aforesaid, there shall be levied, collected and paid the several stamp duties following, to wit: for every skin or piece of vellum or parchment, or sheet or piece of paper or other material, on which shall be written or printed any or either of the instruments of writing following, to wit: on every mortgage with or without a covenant for the payment of the sum intended to be secured, if that sum be above \$100 and not exceeding \$200, ten cents; and so progressively increasing the amount of the duty to be paid, so as to correspond in all respects with the scale or rate of duty prescribed in the preceding section for bonds with collateral condition; and that on every deed and bill of sale where the amount conveyed exceeds \$200 and release of mortgage, there shall be levied, collected and paid the sum of \$1 00; *provided*, that in all cases where a bond or note is given for the debt secured by the mortgage, it shall not be necessary that such mortgage and the bond or note thereby secured, shall both be written on paper stamped according to the provisions of the original act, or of this act, it being the intention of this act, that if either the bond, note or mortgage is written on such paper, it shall be considered as a compliance therewith.

Section 3. And be it enacted, That it shall be the duty of the commissioner of stamps and the other officers mentioned in the act to which this act is a supplement, in all respects to execute this act as by the said original act was prescribed and directed, and to account with and pay into the treasury all sums of money which may be received by them respectively, in virtue of this act, under all the penalties prescribed by the original act, and at the periods fixed by law for that purpose.

Section 4. And be it enacted, That the fifth, sixth, seventh and eighth sections of the original act, shall be deemed and taken as parts of this act, as fully to every intent and purpose, as if the provisions of the said sections were incorporated herein, except that the periods fixed by the said fifth section for the commissioner of stamps to account with, and pay into the treasury the monies received by him, shall be regulated according to the law applicable to the duties of the clerks in that respect.—*Passed March 3, 1845.*

MISCELLANEOUS.

THE BANK OF FRANCE.—The Bank of France is perhaps the only one in Europe that does not issue notes of a lower value than 500f. The provincial banks authorized at Lille, Rouen, Lyons, Bordeaux, Marseilles, and elsewhere, have promissory notes of 250f. The 13 branches of the Bank of France itself issue notes of that amount. It is, therefore, in Paris alone that the fiduciary circulation finds itself deprived of this new medium of exchange. Such an anomaly is the less explicable, as Paris is, in France, the focus of wealth and the centre from which all the resources of credit radiate. The circulation in the provinces is effected almost exclusively in the form of metallic specie. Out of the capital, the bank paper is almost unknown. We could cite a certain town where, in order to obtain money in crowns for a note of 500f., the holder must sustain a loss or a discount which amounts to almost $\frac{1}{2}$ per cent. The circulation of the Bank of France in Paris itself is, in round numbers, 250,000,000f.; the circulation of the 13 branches taken altogether does not represent, on the average, more than 8,000,000f.; that of the nine provincial banks, situate in the midst of our principal centres of trade and commerce, does not exceed 90,000,000f. Thus, from 98,000,000f. to 100,000,000f. constitutes the sum total of the bank notes issued in the departments, notwithstanding the facilities afforded by the promissory notes of 250f. for the extension of the fiduciary circulation. Why, let us ask—why should those same facilities be refused to the inhabitants of Paris, which city at present requires for itself alone twice or thrice the number of bank notes required by the rest of France? The object of the bill (*projet de loi*) submitted to the chamber of deputies is to authorize the Bank of France to issue, in Paris itself, on the scene of its privileges, promissory notes (*coupures*) of 250f. Would it not be expedient to go farther, and to promote the issue of *coupures* of 125 or 100f.? The bullion of the bank is made for the supply of a metallic currency. In every country which enjoys a well regulated circulation, the principal sums are represented by bank notes, and metallic specie forms the odd amount. Now, we would ask whether the interval would not be immoderate if it were admitted that the odd amount in specie may extend to 249f.? if it were necessary, in the exchange of a note of 500f., to receive a kilogramme and 250 grammes of silver besides a note of 250f.? In England, where the type of gold specie is the pound sterling (25f. 20c.,) the “sovereign,” the lowest amount in bank paper is £5 (126f.,) and consequently represents five times the value of the highest metallic unity. (The double sovereign, or 40s. piece, is an exception.) The political economists and statesmen of Great Britain—a country where the most different systems have been tried—agree in thinking that below this limit there would be danger, and that above it there would no longer be any advantage to commercial intercourse. Since the value of the lowest bank notes has been restored to £5, the circulation of bank paper in England appears to be settled on the most solid and rational bases. The different systems in action in Scotland and Ireland rest for support upon the bank in London, and could not survive the loss of that support a month. Bank notes of 125f. or 100f. are still more necessary in Paris than in London. In fact, the common divisor of the bank bullion is far lower in France than on the other side of the straits.

LIFE INSURANCE.—A company has been in operation in London five years for insuring unsound persons. Their prospectus is as follows:

“Diseased and healthy lives assured. Medical, invalid, and general life

office, 25 Pall Mall, London, and 22 Nassau street, Dublin. Subscribed capital £500,000. This office was established in 1841, and possesses tables formed on a scientific basis for the assurance of diseased lives. The urgent necessity for an institution like the present may be estimated by the statement that two-thirds of the population are not assurable as healthy lives, and that about one in five of the applicants to other offices is declined on examination. Of the proposals accepted by this society during the last three years nearly 300 had been rejected among upwards of eighty other offices. These cases came under the class of the most prevalent diseases, and the various parties could not have participated in the advantages of life assurance had not this society been in existence, as it is the only one possessing tabular rates of premium deduced from extensive data.

"Premiums have been determined for the assurance of persons at every age, among those afflicted with consumption, asthma, bronchitis, pneumonia, disease of the heart, apoplexy, paralysis, epilepsy, insanity, disease of the liver, dropsy, scrofula, gout, rheumatism, &c.

"These circumstances induce the directors to believe that by the establishment of this office they have conferred an important benefit upon those whose condition made such a provision as assurance necessary, and they are therefore led to expect a powerful support from the public. Increased annuities are granted on unsound lives. Healthy lives are assured at lower rates than at most other offices, and a capital of half a million sterling fully subscribed affords a complete guarantee for the fulfilment of the society's engagements.

INDIANA BONDS.—The holders of Indiana bonds who had subscribed to the Wabash and Erie canal loan, held their meeting on Monday, 10th May last, at the office of Messrs. Winslow & Perkins, in New York, for the purpose of electing trustees of the canal, according to the provisions of the acts for the adjustment of the public debt.

Mr. Jas. G. King presided as chairman, and Mr. R. H. Winslow as secretary. Messrs. Chas. Augustus Davis and Solomon Sturgess were appointed inspectors of election. The list of subscribed bonds amounted to upward of five and a half millions of dollars.

The foreign bond holders were represented by Messrs. James G. King, Chas. Augustus Davis and August Belmont.

Charles Butler, Esq. of New York, was unanimously elected trustee resident in New York, and Col. Thomas H. Blake of Indiana was unanimously elected trustee resident in Indiana. Under the act, the state of Indiana is to appoint a third trustee.

Although the amount of bonds subscribed is already sufficient for the object indicated in the act, it is presumed that a larger amount will be subscribed in like manner to avail of its provisions before the time which admits of such subscription expires.

The payment of interest on the new stocks that are given under these acts for the bonds will be made in New York, by the agent of the state, on the 1st of July next.

STEAM SHIPS TO EUROPE.—The new steam ship Washington, 1750 tons burthen, is advertised to start from New York on the 1st June, 1847, carrying the United States mail. She will touch at Cowes and Southampton to

land passengers and freight, and deliver the mails for England, France and Belgium, and will then proceed to Bremerhaven. The Washington is built in the strongest manner, with a view to being converted into a ship of war, and subject at any time to inspection by officers appointed by the President, both during and after construction. She has two engines of 1000 horse power each, and accommodations for 140 first class and 44 second class passengers. Passage from New York to Southampton or Bremen, first class, \$120; second class, \$60. Passage from Bremen or Southampton to New York, first class, \$150; second class, \$60. She will carry about 300 tons freight. All letters must pass through the post office.

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**MAGNETIC TELEGRAPH.**—Lines finished and in operation April 1, 1847.

|                                                                             |          |
|-----------------------------------------------------------------------------|----------|
| United States Telegraph Company, between Washington and Baltimore . . . . . | miles 40 |
| Baltimore and Philadelphia Company . . . . .                                | 97       |
| Philadelphia, Harrisburg and Pittsburg Company . . . . .                    | 313      |
| Philadelphia and New York Company . . . . .                                 | 88       |
| New York and Offing, to Fire Island . . . . .                               | 90       |
| New York to Albany and Troy . . . . .                                       | 180      |
| Albany to Buffalo . . . . .                                                 | 326      |
| Troy and Saratoga Company . . . . .                                         | 32       |
| Syracuse and Oswego Company . . . . .                                       | 38       |
| Auburn, Ithaca and Elmira . . . . .                                         | 75       |
| Buffalo, Lockport and Lewiston . . . . .                                    | 45       |
| Lewiston, Hamilton and Toronto . . . . .                                    | 100      |
| New York and Boston Company, via New Haven and Springfield . . . . .        | 238      |
| Boston and Lowell Company . . . . .                                         | 26       |
| Boston and Portland Company, via Boston and Maine rail road line . . . . .  | 109      |
| Washington to Fredericksburg . . . . .                                      | 61       |

Total number of miles in actual operation . . . . . 1858

Mr. E. Cornell, of Ithaca, has purchased of the patentees, the right to construct a magnetic telegraph line between Troy and the northern boundary of the state of New York, to be connected with the Montreal and Quebec lines, which are to be built by Livingston & Wells. This is the first time a company has been organized independent of control by the patentees. The cost per mile is to be but \$200, instead of \$250 as before.

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A STRANGE CHECK.—A letter from Stockholm of the 20th March, contains the following curious statement: "When king Gustavus Adolphus was killed at the battle of Lutzen, in 1632, the finances of Sweden were in such a deplorable state that the great dignitaries of the crown, guardians of Christina, the king's daughter (afterwards the celebrated queen,) were obliged to contract debts for her education. An acknowledgment of one of these debts, signed by them in the name of queen Christina, has just been presented to the minister of finance, with a demand for payment. It is for 45,000 crowns (270,000*l.*.) and was drawn up at Stockholm on the 24th of December, 1636, when queen Christina was ten years of age, in favor of a certain James Krieves, a citizen of Lubeck. It stipulates that twenty years after its date the Swedish government should be obliged to pay 45,000 crowns on the first demand, that the debt shall never become void, and that it shall bear 8 per

cent. interest. At the foot of the acknowledgment are these words written in French by queen Christina, "Approuyee, Compiègne, 1657: Christina R." This curious document has been shown to our minister of finance by a banking house at Stockholm, acting as the representative of M. Kragt, pastor of the commune of Woldigk, in the grand duchy of Mecklenburg-Strelitz. This person states, that he lately found it among his family papers, and he claims to be descended from James Krieves, in whose favor it was signed. He consequently demands from the government 45,000 crowns, or 270,000 francs in capital, and 4,536,000 francs as interest thereon for 210 years at 8 per cent. Before giving a definite answer with respect to the value of the document, the government has invited M. Kragt to prove his descent from Krieves, and his right to the possession of the paper."—*Galignani's Messenger*.

BOSTON CITY LOAN.—The treasurer of the city of Boston has advertised for a loan to the city of one million of dollars. Proposals will be received until Thursday, the 8th day of July next, at 12 M. The stock will be dated April 1, 1847, and issued in certificates of one thousand dollars each, bearing an interest of five per cent., with coupons payable semi-annually; or if preferred, certificates for five hundred dollars, interest semi-annually, will be issued without coupons. The principal will be payable—\$200,000 April 1, 1857; \$200,000 April 1, 1858; \$200,000 April 1, 1859; \$200,000 April 1, 1860; \$200,000 April 1, 1861. Bids will be received for the whole or any part of the amount, and the highest bidder will be entitled to the longest loan, if he so elect. Twenty per cent. will be required in cash, and the remainder in four equal monthly instalments, but payments of the instalments may be anticipated, at the option of the bidder. Interest will be calculated from the time of payment.—*Boston, April 30, 1847.*

IRELAND.—At the recent meeting in New Orleans, for the relief of the Irish sufferers, the Hon. S. S. PRENTISS made a speech, from which we make the following extract:

"There lies upon the other side of the wide Atlantic a beautiful island, famous in story and in song. Its area is not so great as that of the state of Louisiana, while its population is almost half that of the union. It has given to the world more than its share of genius and of greatness. It has been prolific in statesmen, warriors and poets. Its brave and generous sons have fought successfully all battles but their own. In wit and humor it has no equal; while its harp, like its history, moves to tears by its sweet but melancholy pathos. Into this fair region God has seen fit to send the most terrible of all those fearful ministers who fulfil his inscrutable decrees. The earth has failed to give her increase; the common mother has forgotten her offspring, and her breast no longer affords them their accustomed nourishment. Famine, gaunt and ghastly famine, has seized a nation with its strangling grasp; and unhappy Ireland in the sad woes of the present, forgets for a moment the gloomy history of the past."

MARINE INSURANCE AT NEW YORK.—At a meeting of the directors of the Alliance Mutual Insurance Company, New York, on 20th May, it was resolved to suspend further business, the losses of the company having been such as to render this step expedient.

POPULATION.—The bill passed at the recent session of the legislature at New York, providing for the registry of births, marriages and deaths, makes it the duty of the clerks of the several school districts in the state, for a compensation to be allowed by the supervisors, to report to the town clerk, or the alderman in cities, by the 15th of January, in each year, the births, marriages and deaths, which have occurred in their respective districts during the year, giving time, names, residences, and ages in marriages and deaths, and the names of the parents, clergymen, and doctors, and the disease, in births, marriages and deaths, respectively. The town clerk is to record these returns and send an abstract to the county clerk, who is to send it to the secretary of the state, who is to present an abstract to the legislature. It is made the duty of clergymen and magistrates, physicians and midwives, doctors and sextons, to keep registers of marriages, births, deaths and funerals, which they are to allow the clerk of the school district to inspect.

DUTCH LOAN.—In the treaty of Vienna, it was arranged between England, Russia, and Holland, that the Russian Dutch loan, borrowed by Holland from Russia, should be paid by England to Russia on two conditions,—so long as Belgium should remain a portion of the Netherlands, and the treaty of Vienna be respected by Russia. As England supported the severance of Holland from Belgium, the money has been paid nevertheless, though a strong effort was made in parliament to get rid of the liability, when Belgium was erected into a separate kingdom. The amount which England pledged herself to pay Russia was £7,291,666 sterling. Of this sum, from 1816 to 1846, the payments made have been £3,374,479 sterling—leaving a balance to be paid of £3,917,187 sterling.

Now Mr. Hume contended that as Russia had withdrawn her adhesion to the treaty of Vienna, the future payments should be withheld by this country.

Lord John Russell though he strongly condemned the policy of Austria, Prussia, and Russia, and admitted the flagrant violation of the treaty of Vienna in the absorption of Cracow, yet could not peril the honor of England by allowing her to follow so fatal an example, and not fulfil her obligations.

His lordship used unusually strong language, for a premier, in denouncing the violence to Cracow, and then made the declaration, which, from the emphatic and solemn manner of its delivery, produced a great impression upon the house:

“In considering this question, I think we should lower our position, I think we should deprive ourselves of that advantage which we now enjoy, were we to reduce this question to a mere transaction of pounds, shillings, and pence (great applause.) I consider that in the late transactions of Europe, although on more than one occasion, and by different powers, our wishes may not have been complied with, our desires may not have been listened to, our protests may have been disregarded, yet there does remain with us a moral strength—a moral dignity—which it is not in the power of any nation to deprive us of (loud cheers.) There is no treaty, ancient or modern, which it can be imputed to England that she has violated, evaded, or set at nought (enthusiastic applause.) We are ready in the face of Europe, however disadvantageous some of those stipulations may be for us,—to hold ourselves bound by all our engagements, to keep the fame, the name, and the honor of the crown of England unsullied, and to hold that unsullied honor as a jewel which we will not have tarnished (immense cheering.)”

BANK ITEMS.

BANK OF CAPE FEAR.—Thomas H. Wright, Esq., lately cashier, has been elected president of the Bank of Cape Fear, at Wilmington, N. C., in place of John Hill, Esq., deceased.

EXCHANGE BANK, BOSTON.—Joseph Marsh, Esq. has been chosen cashier of the Exchange Bank at Boston, which is about to commence operations under a charter of the last legislature. At a meeting of the subscribers to the stock of the Exchange Bank, holden on the 4th May, 1847, the following gentlemen were chosen directors: Geo. W. Thayer, S. R. Spaulding, J. B. Kimball, Alexander Strong, John G. Davis, Israel C. Rice, Samuel Bates, Jr., John Foster, Peter Frothingham, Daniel C. Baker, Sampson Reed, Wm. H. Dunbar—and at a subsequent meeting of the board, George W. Thayer, Esq. was elected president.

SHOE AND LEATHER DEALERS' BANK.—Samuel Carr, Esq. has been elected cashier of the Shoe and Leather Dealers' Bank of Boston, in place of G. W. Thayer, Esq., now president of the Exchange Bank.

COMMERCIAL BANK OF WILMINGTON.—Public notice has been given that this new institution will shortly commence operations. O. G. Parsley, Esq. is president.

KNICKERBOCKER BANK, NEW YORK.—Public notice has been given that the subscription books of this bank will remain open a few days longer, at the store of J. Boyce, Esq., corner of Greenwich and Fulton streets, where subscriptions can be made to the stock previous to its going into operation, when the books will be closed. This bank will be located in the 3rd ward, in or near Greenwich street.

CITIZENS' BANK OF NEW YORK.—Notice has been given that books of subscription to the capital stock of this institution would be opened on Monday, 17th May, at the Pacific Hotel, No. 162 Greenwich street, and remain open every day until the necessary amount of capital shall be subscribed. The following are the directors: James M. Hoyt, Jacob Hoppock, William Howe, Jr., Thomas C. Doremus, H. Van Wagenen, Jr., George Dayton, Jonathan Sturges, Levi Apgar, John J. Phelps, Mulford Martin, Edward Elsworth, William S. Tisdale.

NEW BANKS IN STATE OF NEW YORK.—
 Bank of Bainbridge, at Bainbridge.
 Bank of Brockport, Brockport.
 Farmers' Bank of Orleans, Gains.
 Farmers' Bank of Orange County, Warwick.
 Palmyra Bank, Palmyra.
 Williamsburg Bank, Williamsburg, Long Island.

NEW ENGLAND BANK.—During the past week our community has been astounded by the intelligence that one of our oldest, and, as hitherto regarded, one of our most respectable citizens—one who has held many offices of trust and responsibility, and who has been for nearly twenty years connected with the management of one of the oldest banking institutions of the city, has proved himself unworthy the confidence which had so long been reposed in him. The discovery has been made that during the whole time of his connection with its management, he has by a well arranged system, used

the bank funds in purchasing notes at usurious rates of interest, afterward passing them to the bank at the regular rate of six per cent.

The individual is Philip Marett, late president of the New England Bank. It will be remembered that in October last it was announced that Thomas Lamb, Esq., was chosen president of the New England Bank, in place of Philip Marett, resigned. It was at that time that the discovery of his frauds was made known to Mr. Marett by the directors, and they then demanded of him the sum of *sixty thousand dollars*, which was thought to be no more than was justly due from him to the bank. In this opinion he appears to have coincided, as he paid the above sum, and left the city.

As various reports have been circulated to the injury of the bank and its directors, it is proper here to say that the bank does not lose a dollar by this fraud. The directors from the moment they were apprised of any suspicions of wrong doing, have been investigating the past transactions of the late president and all matters relative to the bank. The result has been the recovery of the sum above stated, which makes good all the earnings the bank has been from time to time deprived of.—*Boston Transcript*.

EXCHANGES, STOCKS, &c.

NEW YORK, MAY 22.—Bills on London $6\frac{3}{4}$ a $7\frac{1}{4}$. Paris 535 a 530. The money market is very easy, and on first class securities loans are negotiated at 5 per cent. Paper is not plenty, and the best is sought after at 6 per cent.

The stock market in New York closed at firm prices on 22d. Six per cent. treasury notes sold at $5\frac{3}{4}$. There is a steady demand for these notes for investment. There were large sales of Pennsylvania 5's, and a rumor was afloat that the purchases were made on English account, which is not very likely, considering the condition of the London money market. State 5's sold at $100\frac{1}{2}$, which is higher than they have been for a long time. This advance in New York stocks is the result of the policy of the late legislature in refusing to admit government stocks as a basis for banking under the free system. There is a new demand for these stocks as deposits for circulation from the banks about going into operation, and an offer of par was made for one lot of \$100,000 held by one of the Wall street banks, and refused.

The amount received for tolls on all the New York canals to the 15th instant, is about \$350,000; only \$27,000 less than the amount received to the same period last year, when the canal was opened sixteen days earlier. Of the amount received this season, Buffalo contributed, during the second week of navigation, \$51,000, or more than one-third of the entire amount received during the week.

PHILADELPHIA.—The money and stock market of that city is buoyant. Pennsylvania 5's rise steadily, and with good reason. Bank stocks are rising also, but in a ratio quite disproportioned to their increased value. The speculative stocks, especially those of the Jersey Copper Company, seem in high favor. The recent attack on the Reading Rail Road Company has resulted in a saving of more than a half million of dollars to that corporation, as the floating debt of \$1,300,000, which was about to be funded at 70 per cent., has now been funded in convertible 6 per cent. bonds, reimbursable (if not converted into stock) in 1856, at par. This measure, of course, increases the value of the property of the company.

The temporary loan, made to meet the deficit of the treasury for the February in-

terest of the Pennsylvania state debt, has all been paid, and the prospect of being able to meet the August interest, without resort to any expedient, is very promising.

LOUISVILLE.—The banks were freely checking on 20th May at $\frac{1}{2}$ per cent. premium on all northern cities. Time bills on the north, not over four months, interest off. Bills on New Orleans, sixty days to 4 months, $\frac{1}{2}$ per cent.; four to 6 months, 1 per cent., and interest off, and difficult to negotiate. The Cincinnati and Ohio bank notes par to 1 per cent. discount. Tennessee money 1 a $1\frac{1}{2}$ per cent. discount.

ST. LOUIS.—Bills on New York, sight, par to $\frac{1}{4}$ premium; on New Orleans par. Boston, Philadelphia and Baltimore, par to $\frac{1}{4}$ premium; Pittsburg, Cincinnati and Louisville, par.

Major Bodine, paymaster of the army, left St. Louis, on 15th May, for Santa Fe, with \$300,000 in gold for the army in New Mexico.

NEW ORLEANS, MAY 18.—The money market was tolerably easy, and good signatures readily taken in the street, at 10 a 12 per cent. per annum. The banks discounting to the extent of their abilities. Citizens' bank notes, $12\frac{1}{2}$ a 13 per cent. discount; Consolidated, 3 a 5 per cent. discount; Exchange and Atchafalaya, nominal; Third Municipality notes, 7 a 9 per cent. discount; Texas treasury notes, 14 a $14\frac{1}{2}$ c.; interest notes, 16; eight per cent. bonds, 22; ten per cent. bonds, 24 c. on the dollar. Demand for foreign exchange had materially subsided, and drawers no longer obtain the rates previously quoted. The highest offer for favorite sterling signatures, 105 $\frac{1}{2}$. The range was from 104 $\frac{1}{2}$ a 105 $\frac{1}{2}$. Francs, 5f. 42 a 5f. 35. New York sixty days $1\frac{1}{2}$ a $1\frac{3}{4}$ per cent. discount. Checks par a $\frac{1}{2}$ per cent. discount.

Amount of coin received at New Orleans since 1st September last, \$1,948,000 For the same period last year, \$1,458,000.

BALTIMORE.—The banks are liberal in their discounts, and the street rate for fair paper, may be quoted at 7 to 9 per cent. Bank stocks are improving, and Maryland six per cents. have gone up to 89 $\frac{1}{2}$. Baltimore six per cents, 99. In Baltimore and Ohio Rail Road shares the operations for the last month, have been extensive. We find sales made at the board for one week in May, amounting to 880 shares, at from 46 $\frac{1}{2}$ a 48 per share, on time and for cash.

It is generally believed, that the Baltimore and Ohio R. R. Co. will declare a dividend of three per cent. in October, which has improved the stock in the market.

NEW BOOKS.

COMMERCIAL REVIEW OF THE SOUTH AND WEST.—The May No. of this periodical contains an interesting article on Life Insurance, with an examination into the peculiar diseases of the South—nature of risks to be encountered—doctrine of vital statistics, &c. also, elaborate articles upon the manufacture of sugar in Havana; commerce of Savannah; agriculture of Louisiana; the sources, mouth and the valley of the Mississippi.—Published monthly by J. D. B. Debow, New Orleans. Terms five dollars per annum.

HUNT'S MERCHANTS' MAGAZINE, MAY, 1847.—This valuable periodical maintains its established reputation, and continues to furnish exceedingly useful tables, relating to the internal and foreign commerce of the country. The statistical tables, are prepared with great labor and research; while the dissertations upon life and marine insurance, mining, agricultural products, &c. render the work highly useful to the merchant, the lawyer and the statesman.

THE CHESS MAGAZINE.—The lovers of chess will find the Chess Magazine, by C. H. Stanley, a useful appendage to the board. In this work the reader will find many interesting games, as played by the prominent players of Paris, London, Berlin, &c. Chess clubs have been for several years established in the large eastern cities, and also in St. Louis, New Orleans, Lexington, Louisville, Cincinnati. The notes appended to the games by the able editor, will be fully appreciated by those who follow chess as a science. Published monthly at three dollars per annum.

HOME JOURNAL.—The Home Journal published by G. P. Morris, and N. P. Willis, at New York, is one of the best weeklies now published. It is the best parlor and family newspaper, with which we are acquainted, while its mechanical execution is such as to commend it to all. The publishers furnish "Dombey and Son" complete, to every new subscriber. Terms two dollars per annum.

SEMI-ANNUAL DIVIDENDS.

May, 1847.

CONNECTICUT.....	Farmers and Mechanics' Bank,.....	Hartford,	3½
NEW YORK.....	American Exchange Bank,.....	New York,	3½
	Bank of State of New York,.....	do.	3
	Bank of Albany,.....	Albany,	4
	Ontario Bank,.....	Canandaigua,	4
MARYLAND.....	Bank of Westminster,.....	Westminster,	3
DELAWARE.....	Bank of Delaware,.....	Wilmington,	3
GEORGIA.....	Bank of the State of Georgia.....	Savannah,	3

Philadelphia Bank Dividends.

	Capital.	Dividend. Nov. 1846.	Dividend. May 1847.
Farmers and Mechanics' Bank,.....	750,000	6	6
Bank of Penn Township,.....	225,000	6	6
Bank of Northern Liberties,.....	350,000	5	5
Mechanics' Bank,.....	800,000	5	5
Kensington Bank,.....	250,000	5	5
Southwark Bank,.....	250,000	5	5
Western Bank,.....	400,000	4½	5
* Philadelphia Bank,.....	1,150,000	4	4
Manufacturers and Mechanics',.....	300,000	4	4
Commercial Bank of Pa.....	1,000,000	3½	4

* Also a further dividend, of three per cent. accruing out of funds received from trustees of the Bank U. S.

DEATHS.

At New York, on the 5th May last, THOMAS HUNN, Esq., Cashier of the National Bank, in the 64th year of his age.

At Wilmington, N. C., on the 9th May last, Dr. JOHN HILL, President of the Bank of Cape Fear, in the 51st year of his age.

At Circleville, Ohio, on the 27th April last, JOSEPH OLDS, Esq., aged 56 years; President of the Bank of Circleville.

PRICES OF STOCKS,

NEW YORK, MAY 24, 1847.

GOVERNMENT SECURITIES.				Offered. Asked.	
U. S. Loan, 6 per ct. 1862....	106½	107			
do. 5 " 1853....	95	95½			
do. 6 " 1856....	106	106½			
do. 6 " 1867....	107	107½			
Treasury Notes, 6 per ct....	105½	105¾			
STATE SECURITIES.				Offered. Asked.	
New York 7 per cent... 1848	101½	103¾			
do. 7 do.... 1849	102½				
do. 6 do.... 1860	106	107			
do. 5½ do.... 1865	100	101			
do. 5 do.... 1850	97	98			
do. 5 do.... 1853	97	98			
do. 5 do.... 1858	100½				
Ohio 6 do.... 1850	100½				
do. 6 do.... 1860	101	101½			
do. 6 do.... 1870	100¾	101			
do. 5 do.... 1856					
do. 7 do.... 1851	103	103½			
Kentucky 6 per cent.. 1871	102½	103			
do. 5 do....	—				
do. payable in N. Y..	—	85	89		
Illinois 6 per cent. 1860	—				
do. 6 do.... 1870	41	41½			
Indiana St'g 5 per ct. 25 yrs.	39½				
do. Dol. 5 do. 35 yrs.	40½	41			
Arkansas 6 per ct.....	—	30	37		
Michigan 6 per ct.....	—				
Alabama 5 per ct.....	—	61	68		
Pennsylvania 5 per ct....	—	77½	78		
CITY STOCKS.				Offered. Asked.	
N. Y. City 7 per ct..... 1847	101½				
do. 7 do.... 1852	101½				
do. 7 do.... 1857	105	108			
do. 5 do.... 1850	92				
do. Water Loan do.. 1858	91	94			
Brooklyn 6 per ct.....	—				
FOREIGN INSTITUTIONS.				Offered. Asked.	
United States Bank,.....	4½	4¾			
N. O. Canal & Banking Co.	68	70			
City Bank of N. Orleans,...	86	87			
Commercial Bank of N. O..	30				
Franklin Bank, Cincinnati,.	106				
La Fayette Bank,.....do.	80	85			
Illinois State Bank,.....	16¾	17			
Vicksburg Com. & R. R. Bk.	11	11½			
Morris Canal & Banking Co.	20½	20¾			
BANKS.				Offered. Asked.	
Bank of New York,.....	121½	125			
Manhattan Bank,.....	91	92			
Merchants' Bank,.....	109½				
Mechanics' Bank,.....	106				
Union Bank,.....	120				
Bank of America,.....	103½	104			
City Bank,.....	109	109½			
Phenix Bank,.....	88½	90			
North River Bank,.....	98	99			
Tradesmen's Bank,.....	118				
Chemical Bank,.....	150				
Fulton Bank,.....	120	130			
N. Y. Chemical Manufac. Co.	94				
Del. & Hud. Canal Co. Bank,	185				
Dry Dock Bank,.....					
Butchers & Drovers' Bank, ..	111½				
Mechanics & Traders' Bank, ..	100	105			
National Bank,.....	100½	101			
Merchants' Exchange Bank, ..	105				
Leather Manufacturers' do...	101	104			
Seventh Ward Bank,.....	94½	96			
State Bank of New-York,....	89	90			
Bank of Commerce,.....	93½	95			
do. do. Scrip,.....	95	97			
N. A. Trust & Banking Co..	9½	9¾			
Del. & Hud. Canal Scrip Stock	160				
Mechanics' Banking Associa..	95	95			
American Exchange Bank,...	94				
MISCELLANEOUS.				Offered. Asked.	
New-York Gas Light Co....	117½	120			
Manhattan Gas Light Co....	102				
Canton Co. Balt.....	37½	37¾			
East Boston Co.....	22	23			
N. Y. Life Ins. & Trust Co..	110				
Farmers' Loan & Trust Co..	35½	35¾			
Ohio Life Ins. & Trust Co...	104	105			
RAILROADS.				Offered. Asked.	
New York & Erie,.....	60½	60¾			
Mohawk,.....	69½	69¾			
Harlem,.....	54½	55			
Utica and Schenectady,....	123	125			
Macon and Western R. R..					
Reading R. R.....	57½	58			
" Bonds.....	72½	73			
Norwich and Worcester...	50	50½			

EXCHANGES AND STOCKS.

New York, May 26.

London, 60 days,.....prem.	1.07	1.07½
Paris, 60 days,.....	5.32	5.31
Amsterdam,.....	39¼	39½
Hamburg,.....	35½	35¾
Bremen,.....	78½	
Boston,.....d.	½	½
Philadelphia,.....d.	½	½
Baltimore,.....d.	½	½
Richmond,.....d.	1	1½
North Carolina,.....d.	1½	2
Charleston,.....d.	½	1
Savannah,....d.	½	1
Mobile,.....d.	¼	½
New Orleans,.....p.	par to	½
Nashville,.....d.	2	2½
Louisville,.....d.	1½	2
Cincinnati,.....d.	1½	2
St. Louis,.....d.	1	1½

New Orleans, May 20.

London, 60 days,....prem.	1.04	105½
Paris, 60 days,.....	5.43	5.35
New York, 60 days,.....d.	2	3
Do. sight,.....d.	½	1½
Boston, 60 days,.....d.	1½	2
Philadelphia, 60 days,....d.	2	3
Baltimore, 60 days,.....d.	2	3
Havana, 5 days,.....d.	3	3½
American Gold,.....p.	1	1½
Sovereigns,.....	4 85	4 86
Twenty Francs,.....	3 83	3 86
Spanish Doubloons,.....	16 25	16 40
Patriot Doubloons,.....	15 53	15 60

*Q3-d. discount, p. premium.**New York, May 26.*

Spanish Doubloons,.....	16 00	16 25
Patriot Doubloons,.....	15 65	15 75
Sovereigns,.....	4 83	4 84
Louis d'or,.....	4 80	4 84
Napoleons,.....	3 82	3 83
Ducat,.....	2 20	2 25
Ten Guilder,.....	4 00	4 00
Five Thaler,.....	3 85	3 90
Frederick d'or,.....	3 85	3 90
Five Franc,.....	93	94
Spanish Dollar,.....	1 02	1 03½
Mexican Dollar,.....	1 01	1 02
American Gold, old,.....	1 05	1 06
American Gold, new,.....	1 00	1 00
English Guinea,.....	5 00	5 10

Baltimore, May 26.

Per Cent.

Maryland 6 per cents,.....	90	90½
Maryland 5 per cents,.....	74	75
Maryland sterl'g 5 p. cents,	67	68
Maryland sterl'g 3 p. cents,	46	46½
Baltimore 6 per cents,....	100	100½
Baltimore 5 per cents,....	81	83
B. & O. R. Road 6 p. cents,	96	97
Bank of Baltimore,.....	90	91
Merchants' Bank,.....	91½	92½
Union Bank,.....	83	84
Farmers and Merchants',..	74	76
Commercial and Farmers',	100	101
Marine Bank,.....	83	86
Farmers & Planters',.....	94	96
Chesapeake Bank,.....	83	85
Western Bank,.....	76	80
Mechanics' Bank,.....	90	92
Franklin Bank,.....	66	70
Farmers' Bank of Md.,....	87	88

Philadelphia, May 24.

Pennsylvania 6 per cent.,..	87½	89
Pennsylvania 5 " ..	77½	78
Tennessee 5 " ..	82	83
Philadelphia 6 " ..	102	103
Pittsburg 6 " ..	91	93
Cincinnati 6 " ..	93	94
Camden Bank,.....	98	102
Bank of North America,..	122	126
Bank of Pennsylvania,....	124	126
Bank of Northern Liberties,	133	136
Bank of Penn Township,..	138	140
Commercial Bank, Pa.,...	109	109½
Bank of Commerce,.....	66	70
Farmers and Mechanics'..	180	200
Girard Bank,.....	25	26
Kensington Bank,.....	120	130
Philadelphia Bank,.....	126	130
Manufacturers and Mech's,	106	108
Southwark Bank,.....	136	140
Western Bank,.....	130	135
Mechanics' Bank,.....	108	110
Union Bank, Tennessee...	55	56
Exchange Bank, Pittsburg,	89	92
Merchants & M. B'k, do.	91	94
Bank of Louisville,.....	86	89
Northern Bank, Ky.,.....	97	97
Bank of Kentucky,.....	76	77
Phila. & Balto. R. Road,..	54	55
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THE
BANKERS' MAGAZINE,

AND

State Financial Register.

JUNE, 1847.

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Rich's Patent Salamander Safes,

Warranted free from Dampness as well as Fire and Thief-Proof.

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TEST No. 12.

My Store in Centreville, La., with its contents was consumed by fire on the evening of the 24th ult. and my books and papers were preserved in one of RICH & CO'S IMPROVED PATENT SALAMANDER SAFES, which I purchased of Mr. Isaac Bridge of this city. The Safe was taken from the ruins RED HOT, and could not be opened until it had stood several hours cooling. Many gentlemen were present at the time of cutting the door open (for the lock could not be turned) all of whom were surprised on finding the contents uninjured and but slightly changed in appearance. Having at an expense of ONLY SIXTY DOLLARS, saved books and papers worth SEVERAL THOUSANDS, by possessing one of Rich & Co's Safes. I cheerfully add my testimony to that heretofore furnished by others who have profited by the fire-proof qualities of the article.

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New Orleans, 23d March, 1847.

Reference made to upwards of seven hundred and fifty Merchants, Cashiers, Brokers, and Officers of Courts and Counties, who have Rich's Safe in use.

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G. G. Howland,
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George Griffin,
John D. Van Buren,
William B. Astor,
Moses Taylor,
Joseph Lawrence,
Joseph Kernochan,
G. C. Verplanck,
L. S. Suarez,

John Jacob Astor,
James I. Jones,
Jona. Goodhue,
Daniel Lord,
C. W. Lawrence,
John Greig, Canandaigua,
James Hooper, Poughkeepsie,
Augs. James, Albany,
Stephen Warren, Troy,

PHILIP R. KEARNY, Secretary.

WM. BARD, Actuary.

The Company insures Lives; grants and purchases Annuities; and makes any other contracts, involving the interest of money and the duration of life. It also receives money in trust; to accumulate the same at such rates of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on, not exceeding in either case the legal rate. It accepts and executes all such trusts, of every description, as may be committed to them by any person or persons whatsoever; or may be transferred to them by order of the Court of Chancery, or by a Surrogate.

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And on all other deposits, and on deposits intended for accumulation, such interest as may be agreed on at the time the deposit is made.

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Organized on the purely mutual principle, and its business is restricted by the charter to the insurance of lives and granting annuities and endowments. It commenced operations on the first of February, 1843, and its business for four years has been as follows:

Policies issued first year.....	470,	Premiums.....	\$37,293	90
Do. do second year.....	616,	Premiums and renewals.....	\$31,990	43
Do. do. third year.....	1047,	Premiums and renewals....	145,189	87
Do. do. fourth year.....	1087,	Premiums and renewals....	179,962	92
Do. 1st February to 1st May, 1847, 311.....			72,064	83
Received on Sea Risks, from agents, for policies and for interest,			33,556	46

	Total,	\$545,744	54
Losses and Expenses paid or ascertained,		169,462	84

Net accumulated fund in four years and three months,	376,282	20
--	---------	----

Invested, viz.

In Bond and Mortgages in the cities of New York and Brooklyn on Real Estate valued at twice the sum loaned thereon.....	\$242,000	00
In United States Stock and Treasury Notes.....	\$31,400	59
In New York State Stock.....	32,880	00
In Corporation of the City of New York.....	53,383	65
In Cash on hand.....	13,304	66
In Cash due from Agents.....	3,313	30
	\$376,282	20

Pelican Mutual Insurance Company,

No. 65 Wall Street, New York.

With an ample subscription to secure the payment of its losses, continues to insure, on the most favorable terms, against Marine, and Inland Navigation Risks. All losses liberally and promptly adjusted.

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Exchange and Bank Note Brokers,

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Notes and Drafts payable at the principal points in the United States and Canada, collected promptly, and returns made on the most favorable terms.

The Nautilus Mutual Life Insurance Co.

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After mature deliberation, the Trustees have become convinced, and the experience of old established companies fully warrant the conclusion, that the advantages of Life Insurance on the *Mutual* plan, may be extended and diffused with greater convenience to a large class of contributors, and with equal security to all the assured, by requiring no greater amount of the premium to be paid in cash than the company will require to meet its engagements with promptitude and fidelity.

It has accordingly been determined that in all cases where the annual premium shall amount to \$50, and 60 per cent. thereof shall have been paid in cash, an approved note may be given for the remaining 40 per cent. payable twelve months after date, bearing six per cent. interest. The interest to be paid annually, but the principal not to be called in unless the exigencies of the company require it, giving sixty days notice, and then only by assessments pro rata to the extent that may be required to meet the engagements of the company.

It is confidently anticipated that a system, the operation of which is so fair and equitable, so well calculated to place the benefits and blessings of Life Insurance within the reach of all, and at the same time enable each contributor to share equally and fully not only in its beneficent security, but also in its profits of accumulation, will meet, as it is believed to deserve, the favor and confidence of the public.

The particular advantages offered by this company are :

1. A guarantee capital.
2. An annual participation in the whole profits.
3. No individual responsibility beyond the amount of premium.
4. Those who insure for a less period than life, participate equally in the annual profits of the company.

The *Nautilus* company confines its business *exclusively* to Insurance on Lives, and all Insurance appertaining to Life.

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A. M. MERCHANT, Vice-president.

LEWIS BENTON, Secretary.

PLINY FREEMAN, Actuary.

ROBERT H. MAURY

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Richmond, Virginia.

Notes and Drafts payable at the different points in Virginia, collected promptly and remitted for, on the most favorable terms.

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OFFICE NO. 60 WALL STREET.

Continue to insure against loss or damage by fire, all descriptions of Merchandise, Vessels building in port, &c., and in the course of Inland Navigation and Transportation, on the most favorable terms.

ELIAS G. DRAKE, President

LEBBEUS CHAPMAN, Secretary.

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